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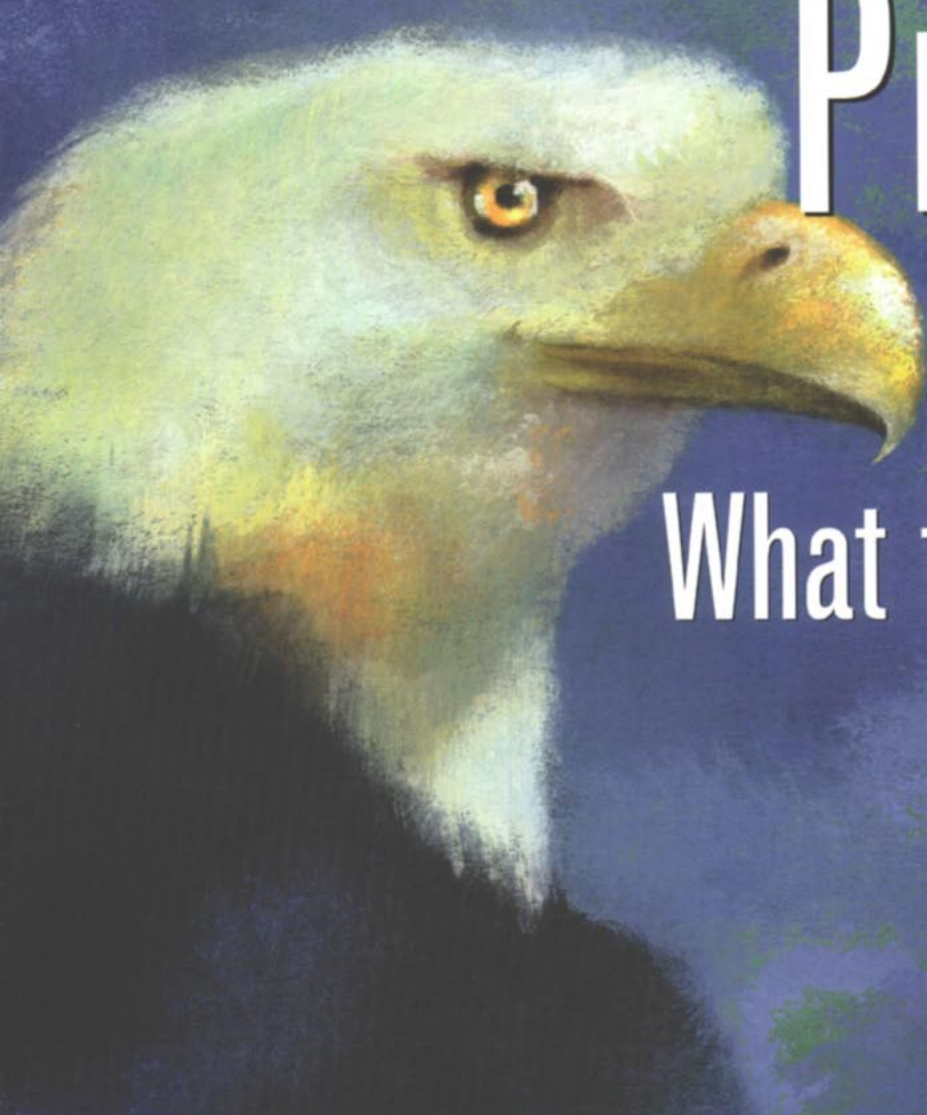
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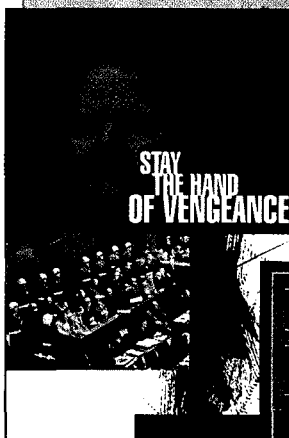
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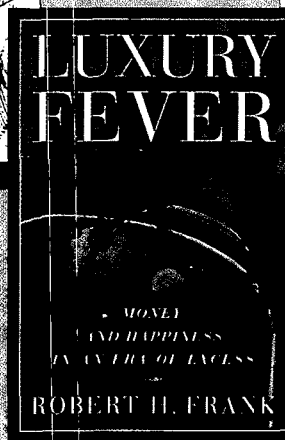
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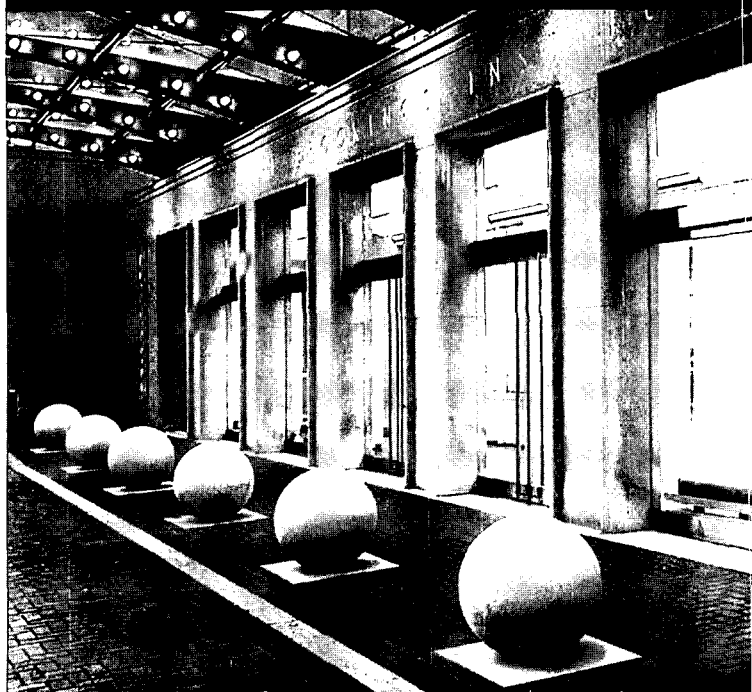
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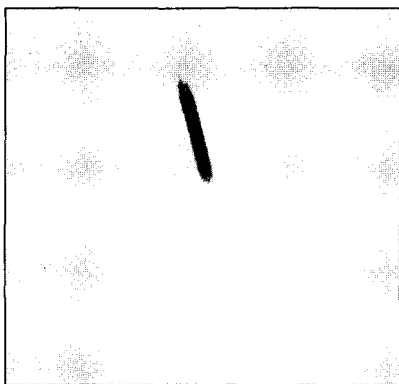
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Foreign Policy IN THE AGE OF PRIMACY

by Richard N. Haass

Historians and theologians continue to debate the precise start of the new millennium, but by January 2001 the world will have marked another global milestone. When the new U.S. administration and the new Congress take office, the second decade of the post-Cold War era will be well under way. This issue of the *Brookings Review* focuses on the opportunities and challenges likely to face the United States from abroad and suggests how American foreign policy could and should address them.

Several articles focus on the principal centers of power in the world: China, Russia, Japan, Europe, and India. The emphasis is only natural, as these are the actors with the greatest capacity to buttress or frustrate U.S. efforts to bring about a world to its liking, one characterized by market economic policies and democracy as well as open trade, a reduced resort to military force to settle disputes, and fewer weapons of mass destruction in fewer hands.

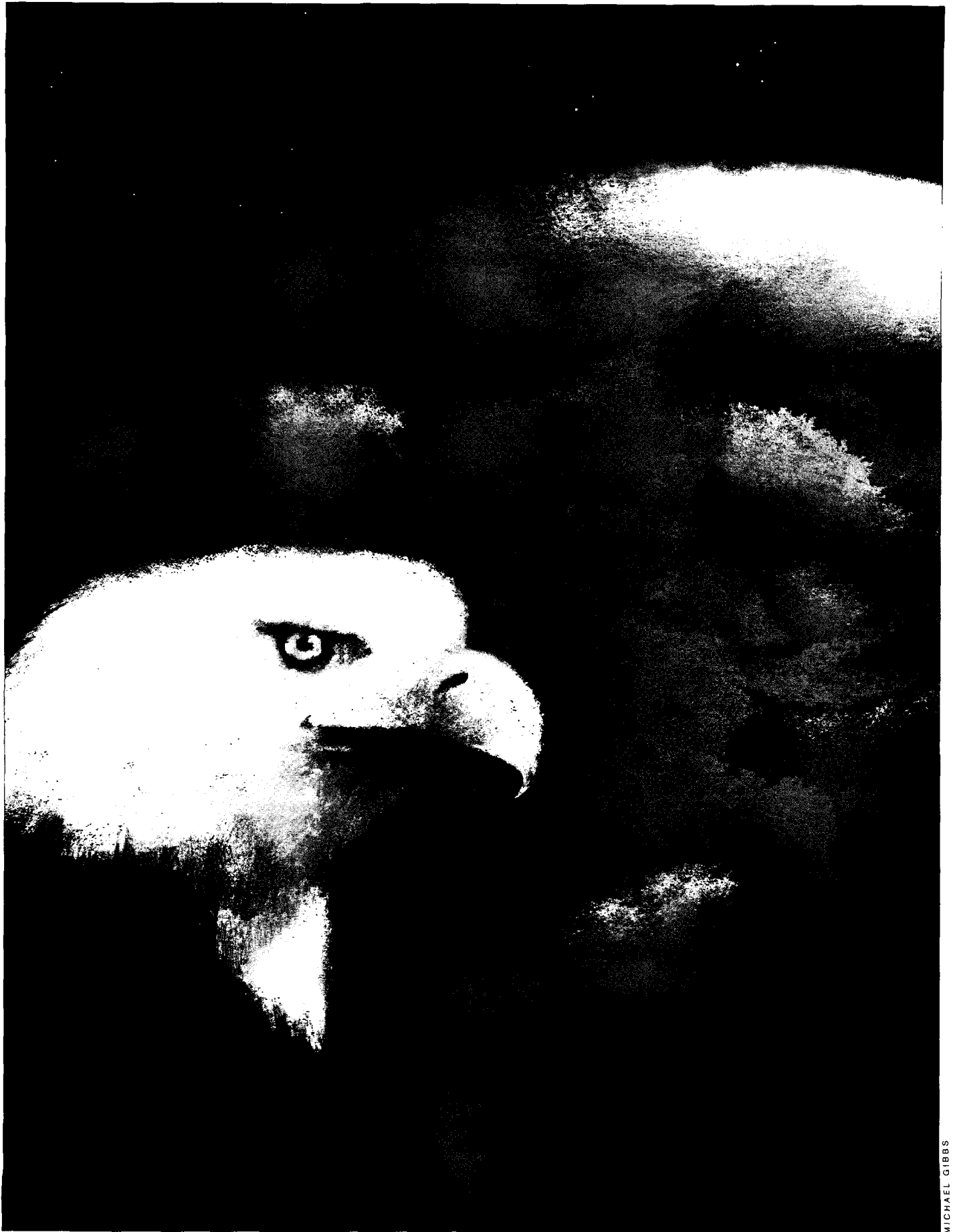
Richard N. Haass is vice president and director of the Brookings Foreign Policy Studies program. He is the author of The Reluctant Sheriff: The United States After the Cold War (Council on Foreign Relations, 1997) and Intervention: The Use of American Military Force in the Post-Cold War World (Brookings, 1999) and editor of Economic Sanctions & American Diplomacy (Council on Foreign Relations, 1998).

This is not to suggest we live in or should aspire to a multipolar world. To the contrary, this is and will likely remain a world of distinct American primacy. No country or group of countries will be in a position to balance American economic, military, and cultural power for the foreseeable future. But primacy is not to be confused with hegemony, and the United States will be unable to realize the bulk of its ambitions without the support or at least tolerance of others. Unilateralism offers little promise; except in rare situations, the United States on its own cannot go to war, curb nuclear proliferation, thwart terrorism, open trade, or prevent genocide. The task for American foreign policy is to promote effective multilateralism, something that more often than not will demand strong American leadership of (and participation in) informal coalitions

and regional groupings.

The bilateral relationship with China is fast becoming the most difficult for the United States to manage. Areas of cooperation, including expanding trade and promoting stability in Korea, risk being overwhelmed by differences over Taiwan, human rights, Chinese assistance to Pakistan's nuclear and missile programs, U.S. plans for both theater and national missile defense, and humanitarian intervention. Complicating matters is the political reality that in both countries there are those who see the other as the principal obstacle to a successful foreign policy and who see a competitive if not adversarial relationship as all but inevitable.

No negotiation can eliminate these differences; instead, what is required are regular consultations, attempts to cooperate in selected areas, and particular care not to let areas of dis-



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agreement spill over and affect the entire relationship. Taiwan should be singled out, however, as the one issue that could bring the United States and China into direct military confrontation. China must understand that the United States will not stand idly by if China coerces or uses military force against Taiwan. This posture needs to be balanced, however, by U.S. diplomacy that both encourages a mainland-Taiwan "cross-strait" dialogue and discourages any unilateral declaration of independence by Taiwan.

Russia also poses difficulties for U.S. foreign policy, if for different reasons. Russia is a power in decline; its economy is dismal and its domestic politics are in turmoil, including but not limited to Chechnya. It is clearly the objective of Russia's new president, Vladimir Putin, to reverse this decline and restore stability and a measure of economic growth at home as well as respect abroad. But for all its weaknesses, Russia remains a major power, one that still possesses an enormous nuclear arsenal and vast natural resources, occupies a seat on the United Nations Security Council, and, through its diplomacy and arms and

United States can do to assuage Russian concerns. No administration can hand Russia a veto over U.S. initiatives such as missile defense or further enlargement of NATO. In the latter case, the United States ought not move the goalposts; NATO membership should be available to candidate states that meet the stated criteria for admission. To do otherwise would remove a useful incentive for reform and risk redividing Europe. What can make this less objectionable to Russia (and less likely to trigger an angry nationalist reaction there) is to condition NATO membership on protection of Russian minorities, to pledge to avoid stationing any non-national military forces on the territory of new members, and to reiterate that Russian membership in NATO remains possible.

Japan is a fundamentally different challenge. A decade ago Japan was seen as the principal economic competitor of the United States and an alternative model for much of the world. Nowadays, Japan is more likely to arouse U.S. frustration—over the slow pace of its deregulation, over monetary and trade policies that hinder Japan's contribution to

Humanitarian intervention is in some ways t

technology exports, can be a force in the world for stability—or not.

The challenge is to deal with the potential problems posed by Russia's external behavior while giving it time to try to get its political and economic house in order. As with China, the United States cannot afford to rule out cooperating where it proves possible (in the Balkans, conceivably arms control) simply because of disagreements in some areas (Chechnya, for example). Likewise, economic assistance—including new International Monetary Fund loans and debt relief—should be conditioned on sound economic reforms rather than linked to unrelated political disputes; any such linkage would provide little leverage for the United States but could block cooperation where it might be fruitful and create additional obstacles to establishing a more market-oriented and liberal Russia. Most important might be a U.S. willingness to accord Russia the attention and respect it craves; that would require only a commitment to consult regularly and to go the extra mile to take Russia's interests into account.

There are limits, however, to what the

regional and global economic growth, over the difficulty of building a consensus in Japan favoring a more active role in the region and the world. Yet Japan remains a critical force in the world economy and is a valued ally crucial to U.S. efforts to promote stability in the Asia-Pacific.

The United States can do little to affect internal Japanese deliberations or decisions; what it can do is encourage Japan to become more active in the region and beyond, more commensurate with its absolute and relative strengths. More regular, high-level consultations—on Japan's role in various contingencies, on the design of new institutional frameworks to promote stability in the Asia-Pacific—would help, as would deemphasizing the U.S. military presence in Japan and shifting the focus on trade from bilateral to regional or global matters.

Europe remains the greatest actual and potential partner of the United States in shaping the post-Cold War world. But beside considerable areas of agreement—for example, on humanitarian intervention, be it in the Balkans or beyond—are significant differ-

ences, including over trade, American plans for missile defense, sharing the burdens of military commitments, and the U.S. tendency (at least until recently) to define difficult states as “rogues” and emphasize the application of economic sanctions. Europeans also resent American unilateralism and dominance, while American officials are often uncomfortable with the reality of a stronger and more independent Europe.

The differences, while real, ought not be exaggerated or allowed to hamper cooperation on shared concerns often far removed from the continent of Europe. Europeans must follow through on their pledge to develop a greater capacity for military action, and the United States must not resist European moves to become more capable and independent. In the end, a weak and divided Europe that is either unable or unwilling to be a true partner of the United States is a far greater threat to transatlantic ties than a Europe that sometimes resists American preferences.

India is the newest of the world’s principal power centers. Although poverty is widespread among its enormous population, India is a thriving democracy that enjoys increasingly strong, market-driven economic growth. It is a relatively modest but potentially significant trading partner for the United States. Just as important, and depending on how it acts, India can affect U.S. strategic interests in Asia and beyond.

Washington and New Delhi have an opportunity to forge a new relationship of economic and strategic value to each

defenses at the theater level—that is, for short-range use in likely combat regions—and a national missile defense that complements (rather than replaces) deterrence. Theater missile defenses would allow the United States to continue to contemplate intervening militarily on behalf of vital national interests and major allies in the Persian Gulf and Northeast Asia. Without theater defenses, deployed American forces and local U.S. allies would be highly vulnerable to intimidation and attack in any armed confrontation. A modest national missile defense, meanwhile, would allow the United States to better contend with relatively small threats posed by the long-range missile programs of several “states of concern” and by small-scale accidental or unauthorized launches that in principle could emanate from Russia or China. Such a limited capability would reduce U.S. physical vulnerability and again make it a less probable target of blackmail.

A modest national missile defense has other virtues. It would not constitute a threat to Russia’s deterrent and eliminate any prospect for large cuts in nuclear weapons. With the Cold War’s end, it no longer makes sense (leaving aside whether it ever did) for the United States and Russia to maintain nuclear arsenals capable of destroying one another many times over. Maintaining large inventories of missiles is dangerous—the chance of accidental or unauthorized launches can never be eliminated—and expensive. Reducing inventories substantially, say to 1,000–1,500 warheads apiece, appears both

Emblematic problem of the first post-Cold War decade.

country, but only if each is prepared to devote more attention to developing the relationship and to abandon past stereotypes. The United States will need both to accept that India’s nuclear weapons capability is here to stay and to help lessen the chance that it will ever be used. India must demonstrate more flexibility and creativity over Kashmir and its relationship with its neighbor and all-too-often rival Pakistan. A failed Pakistan and a successful India are unlikely to go hand in hand.

Missile Defense

Several themes recur in U.S. relationships with these major countries. One is the centrality of ballistic missile defense. A number of countries, including but not limited to North Korea, Iraq, and Iran, are developing ballistic missiles and possibly nuclear weapons. Depending on their range, these missiles could threaten U.S. troops in critical regions, American allies, or U.S. territory. Simultaneously, new technologies are making the prospect of intercepting ballistic missiles at one or another stage of their flight—hitting a bullet with a bullet—more real than ever before. Major questions must be resolved, however, before a new administration and Congress can determine whether and how to proceed with missile defense.

A good start is the place of missile defense in overall U.S. strategy. A realistic and reasonable goal is for robust missile

possible and desirable, as does reducing the alert status of systems to further diminish the chance of accidental conflict.

Persuading Russia to renegotiate the 1972 Anti-Ballistic Missile Treaty to allow for a modest increase in missile defenses is not out of the question. If Russia can be brought around, European resistance to U.S. missile defense plans would largely fade. If, however, Russia cannot be persuaded to participate in a cooperative transition to a somewhat revised offense-defense balance, then the United States should proceed unilaterally but openly, making clear both the schedule for deployments and the limits to what it will do.

China offers far more difficulties, as even a modest missile defense could pose a threat to the far smaller Chinese arsenal. Moreover, theater missile defense inevitably becomes entangled with the Taiwan issue, as China is sure to view U.S. missile defense plans for Northeast Asia as enabling Taiwan to declare independence with impunity. There is no way to eliminate these Chinese concerns and probably no way to avoid a decision by China to increase the size and capability of its nuclear arsenal, something likely to happen to some degree regardless of U.S. missile defense plans. But the United States can alleviate the adverse consequences, both by making clear that any national missile defense is limited (and not designed to offset China’s deterrent) and by working to discourage a declaration of independence by Taiwan.

Almost all of the above is premature, however, as it is pred-

icated on the United States developing a missile defense worth deploying. Thus, an aggressive testing and development program, one that is not limited to any particular architecture, is in order. The United States ought to explore the potential for boost or “ascent” phase intercepts, which (and unlike defenses based on other approaches) have the advantages of a larger, slower-moving target and of not having to contend with decoys.

Humanitarian Intervention

Humanitarian intervention is in some ways the emblematic problem of the first post–Cold War decade. The United States should be prepared to use military force on a selective basis to save innocent lives. American foreign policy must have a moral component if it is to enjoy the support of the American people and the respect of the world. At the same time, the United States cannot intervene everywhere human rights or lives are threatened lest it leave itself unable to cope with contingencies involving vital national interests in the Persian Gulf or North-east Asia.

There is opportunity for the leader who chooses to focus on

No all-purpose set of guidelines will determine policy in every situation. As a rule, however, U.S. willingness to intervene militarily should reflect the potential or actual scale of the violence (fortunately, genocide remains relatively rare); the impact of acting (or not acting) on more important national interests; and the likelihood that an operation (with others) will accomplish considerable good at modest financial, human, and military cost to the United States.

How military force is used can be as important as whether. Normally it should not be limited to air power; it should be used early in a crisis and employed decisively rather than incrementally. Humanitarian interventions, precisely because they do not involve vital U.S. interests, should be designed to save lives. Strategies such as separating warring populations, partitioning, and creating humanitarian zones or safe havens all deserve serious consideration. More ambitious objectives, such as nation-building and promoting multiethnic societies or democracy, should normally be avoided. Exit dates should not be set in advance of interventions; a decision for forces to remain should reflect the costs and benefits of so doing rather than anything arbitrary.

To keep U.S. costs down, Washington should train and equip others to carry out humanitarian operations. One priority should be developing a regional force for Africa (along the lines of the Africa Crisis Response Initiative). Allies in Europe and Asia should also be encouraged to train forces for intervention. But the United States should not try to create a “UN army.” Not only would it be expensive, but, given the bias against humanitarian intervention on the part of Russia, China, India, and others, the UN cannot be counted on to carry out missions more demanding than consensual peace-keeping.

World Trade

World trade has been and remains an engine of economic growth that often keeps down inflation, creates jobs, increases choice, and spurs innovation. It can also discourage conflict—why risk a war that in turn would risk profitable arrangements? Still, promoting trade is never easy. Advocates must always struggle against those who would restrict access to their markets using both tariff and nontariff barriers to protect domestic producers and workers against foreign competition.

A new administration could boost political support for open trade in the United States by doing more to soften the inevitable stresses on workers from both trade and technological change. Providing tax breaks and soft loans for lifelong education and training would help, as would ensuring that safety nets providing insurance for health care, disability, and other needs were fully portable so that workers would not undergo additional hardship if particular jobs were lost. But there must be limits to using trade arrangements to set uniform standards for labor and the environment. Negotiating and building support for trade accords is already difficult

enough. Labor and environmental standards should be handled separately, through a reinvigorated International Labor Organization or specific environmental accords.

The creation of the World Trade Organization in 1995 was a major milestone in the quest to open trade, establishing both rules to govern trade and a mechanism to resolve disputes. The next steps should be to expand the WTO to cover a wider range of goods, services, and countries and to open its decisionmaking process to more actors, including nongovernmental organizations. The best way to accomplish those goals would be through a new global trade round. But if that proves politically infeasible, open trade should be promoted through a mix of bilateral and regional agreements. Such limited approaches lack the impact of a global system and run some risk of establishing zones that discriminate against nonmembers, but they can be a boon to trade (as proven by both the European Union and the North American Free Trade Agreement), can become something of a laboratory for new ideas (as shown by Asia Pacific Economic Cooperation), and are certainly preferable to doing nothing—and thus setting the stage for renewed protectionism.

Regionalism

The difficulty of reaching consensus among the global powers on missile defense, humanitarian intervention, and trade suggests a fourth theme—promoting regional arrangements. Regionalism is not a rejection of globalism, but rather a practical acknowledgement that, much more than nations worldwide, states of the same region share a similar perspective and an incentive to act on problems before they are directly affected.

Regionalism appears especially relevant for Africa and Latin America. Africa is ravaged by humanitarian crises, some man-

made, some natural. The international community, while willing to help in some ways (providing military assistance and training, offering cheaper drugs to combat AIDS, forgiving debt), is not prepared to intervene militarily or send resources on the required scale. This points to the need to strengthen African capabilities and mechanisms, especially in the realm of peacekeeping and its more demanding offshoots.

Latin America (like the Asia-Pacific) is also relatively weak in regional institutions other than in the economic area, where both NAFTA and Mercosur provide important frameworks for trade. The prevalence of democratic, market-oriented societies in the region makes this weakness less obvious than it is in Africa. But the impressive advance of democracy in Mexico notwithstanding, there are disquieting trends toward populism in both Peru and Venezuela and even more troubling evidence that the government of Colombia is losing ground in its struggle with left-wing guerrillas, drug traffickers, and paramilitaries. Because a failed Colombia would have serious regional consequences, states in the region, including the United States, must provide military and police training and equip-

ment, economic assistance, and diplomatic support to help Colombia reach a political settlement—and begin to consider what to do if Colombia nevertheless continues to fail.

The Middle East

Regionalism takes quite a different form in the Middle East and Persian Gulf. The unfinished business of promoting peace between Israel and Syria, Lebanon, and the Palestinians will surely occupy the next U.S. administration. Peace talks between Israel and either Syria or Lebanon are likely to be on hold for some time, until Syria's new president, Bashar Assad, consolidates his position. But the Israeli withdrawal from Lebanon creates a new dynamic. The goal should be to build diplomatic pressure on Hizbollah to lay down its arms and become a political actor within Lebanon. Simultaneously, the United States should put diplomatic pressure on Syria to withdraw militarily from Lebanon. The Israeli-Palestinian track presents a very different challenge in the aftermath of the Camp David summit. The United States should promote a partial agreement if a comprehensive one remains elusive, simultaneously emphasizing the need for the parties involved to avoid unilateral acts and for those not directly involved (such as the Arab states) to avoid anything that would further restrict Palestinian willingness to make compromises for peace.

Two other sets of challenges in the greater Middle East illustrate broader issues facing American foreign policy. The first involves Iraq and Iran, two states until recently known as "rogues," a label also at times applied to North Korea, Cuba, Libya, and others. What defined a rogue was never clear, although it reflected such behaviors as large-scale violations of human rights, support for terrorism, and pursuit of weapons of mass destruction. The term deserved jettisoning,

for it also tended to lump problems of different magnitudes—Cuba and Iraq hardly pose similar threats to U.S. interests—and limit the tools available to the United States to alter undesirable behavior.

The strong U.S. bias to date has been toward punitive economic sanctions, despite evidence that sanctions imposed by the United States alone are of limited use at best and that even sanctions backed widely by other countries cannot achieve ambitious goals such as regime change. Adding positive incentives (including reducing sanctions) to the policy mix could help induce behavioral improvements, much as has happened in an apparently successful U.S. effort to curb North Korea's nuclear and missile programs.

The other issue observable in the greater Middle East, but in no way exclusive to it, is how much weight American foreign policy should place on promoting democracy and how to go about it. Promoting democracy should be a consideration, but hardly the only one, given that other vital interests often must take precedence. Also, promoting democracy can be a difficult business; in most instances, it will behoove the

national security—and risk for the country if he does not.

United States to proceed cautiously, helping to build and extend civil societies and markets, both desirable in their own right and as possible way stations for societies on the path to greater openness.

Foreign Policy Resources

To manage foreign policy successfully, the next president and those around him will require ample resources. Some of those resources are financial, such as more money for military, intelligence, diplomacy, and assistance programs. Here the good news is that the United States can afford to do all that it should in the world without endangering its economic situation at home. But money will be made available by Congress—and its use supported—only if the next administration makes foreign policy a priority. To be sure, there is always the risk that a great power will exhaust itself by doing too much. But the greater risk today is that the United States will squander an opportunity to build a world supportive of its core interests by doing too little.

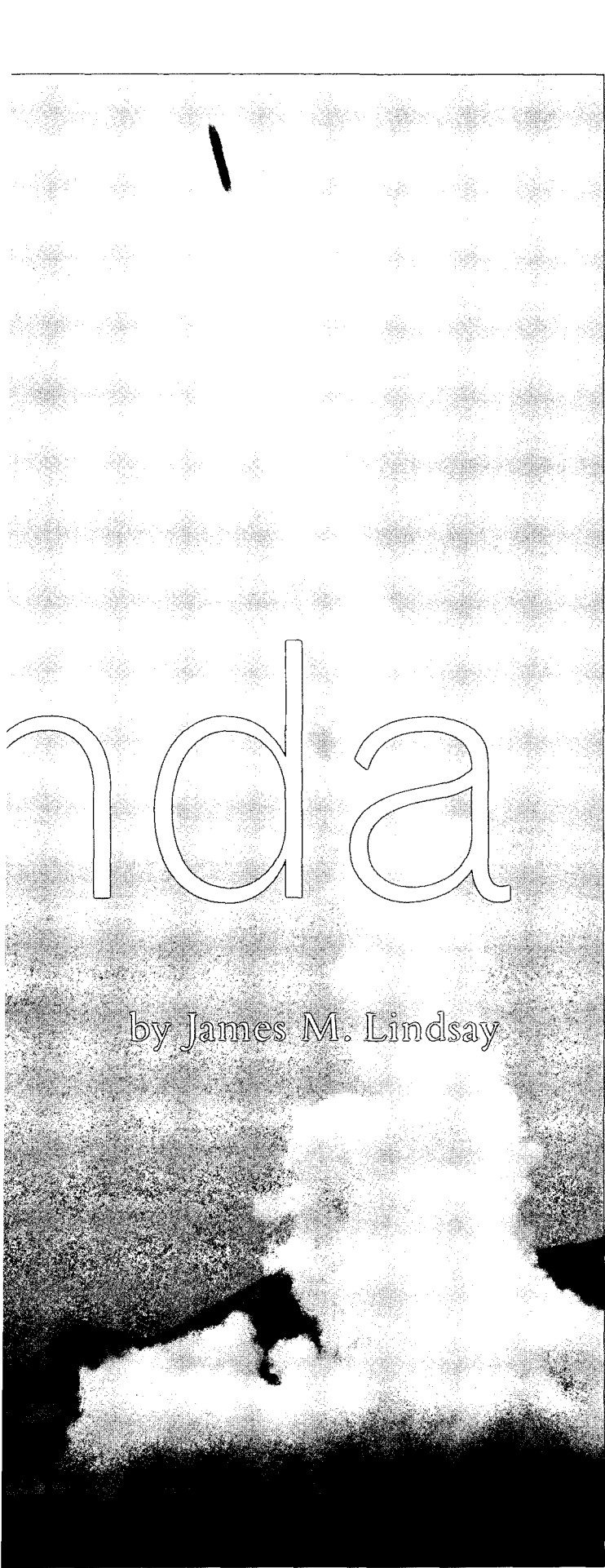
As this last point suggests, another resource necessary for successful foreign policy is time and effort. The new administration must consult regularly with other major powers. If negotiations were the centerpiece of Cold War diplomacy, consultations will characterize this age of global relationships that defy definition and vary by situation. Simultaneously, the new president must take the case for a new nuclear balance, for humanitarian intervention, and for open trade to Congress and the American people. He will have to do so in the absence of public pressure or even interest. Indeed, indifference, not isolationism, is the present reality. But presidents enjoy considerable discretion in what they choose to emphasize, and there is opportunity for the leader who chooses to focus on national security—and risk for the country if he does not. ■

The Nuclear Age

Arms Control and Missile Defense Are Back in the News

The nuclear debate is back. After fading from the public eye in the 1990s, arms control and missile defense are once again at the forefront of the American national security agenda. Not surprisingly, the debate has broken down along well-worn lines. Arms control advocates argue that the United States should seek to limit and eliminate nuclear weapons, and they dismiss the idea of missile defense as a dangerous and costly folly. Missile defense advocates in turn question the value of arms control and argue that the United States should move aggressively to defend itself against missile attack. **Which side is right?** Neither and both. And therein lie the political and diplomatic challenges facing the next administration.

*James M. Lindsay is a senior fellow in the Brookings Foreign Policy Studies program and the author of *Congress and Nuclear Weapons* (Johns Hopkins, 1991) and *Congress and the Politics of U.S. Foreign Policy* (Johns Hopkins, 1994).*



nda

by James M. Lindsay

Multilateral Arms Control

The first major issue on the nuclear agenda is the future of multilateral arms control, which the Senate threw into doubt with its rejection of the Comprehensive Test Ban Treaty last year. Substantive opposition to the treaty focused on the test ban's verifiability and on the need for tests to ensure the safety and reliability of the U.S. nuclear deterrent. But the treaty's rejection ultimately had more to do with the bitter partisanship that now characterizes executive-legislative relations than with policy. In a less divisive political environment, a compromise probably could have been achieved.

The consequences of the Senate vote are all too often exaggerated. As the opponents correctly point out, the test ban treaty was never going to be a cure-all. No paper pledge can end nuclear proliferation by itself, and the countries most likely to acquire nuclear weapons are the ones least likely to abide by the treaty's strictures. At the same time, the established nuclear powers continue to abide by the informal test ban that has been in place since the early 1990s. None looks poised to resume testing.

But on the whole the test ban's defeat does represent a missed opportunity to advance U.S. interests. Making the informal test ban binding would have raised the diplomatic costs to any country wishing to resume testing and (ironically enough) locked in U.S. nuclear superiority. The treaty also would have made it easier for the United States to detect clandestine nuclear explosions. It would create a worldwide monitoring system, including sensors in countries such as Russia, China, and Iran that are closed to U.S. intelligence. And nuclear tests have only limited value in checking the safety and reliability of the U.S. nuclear arsenal. The U.S. weapons laboratories estimate that less than 1 percent of the defects found in the weapons stockpile have been uncovered through testing.

The Senate vote has also damaged U.S. diplomacy on nuclear proliferation. This is most evident in the foundering effort to strengthen the inspection provisions of the Non-Proliferation Treaty (NPT). In 1997, the signatories to the NPT agreed to develop more intrusive inspections in exchange for a written pledge by the established nuclear powers to negotiate and ratify a test ban treaty. With the United States unwilling to live up to its end of the bargain, many other countries are unwilling to live up to theirs. Today, more than 120 countries have still not reached agreement with the International Atomic Energy Agency on the specifics of the new inspection regime. The administration's decision to join Russia, China, Britain, and France at the NPT review conference earlier this year in renewing their joint commitment to the complete elimination of nuclear weapons did little to restore momentum to the push for tougher inspections.

The arrival of a new administration creates an opportunity to depoliticize the test ban treaty and to reconsider it on the merits. Some Senate opponents have expressed regret that the vote took place—62 senators had publicly called for postponing it—and have suggested they might reassess their opposition if their substantive concerns are addressed. The Clinton administration took a step in this direction by asking former

Chairman of the Joint Chiefs of Staff Gen. John Shalikashvili to lead a bipartisan dialogue with the Senate on ways to make the treaty acceptable. The challenge is that with the Senate now formally on record against the treaty, addressing its concerns may require more than high-level briefings and cosmetic amendments. But if the price of Senate approval means rewriting core elements of the treaty, the whole enterprise is probably doomed. There are no signs that the other major powers are willing to reopen the treaty, and Russia, China, and other countries would undoubtedly exploit any American decision to do so for their own diplomatic advantage.

The START Talks and Deep Cuts

The second major issue on the nuclear agenda is reducing the size of the U.S. and Russian offensive nuclear arsenals. During the 1990s, both countries agreed to cut their forces sharply. The 1991 Strategic Arms Reduction Treaty (START I) required each side to reduce its stock of strategic offensive nuclear weapons by more than a third, down to 6,000 warheads apiece. The START II Treaty, signed during George Bush's last month in office, required both countries to cut their arsenals further, to between 3,000 and 3,500 warheads. And in March 1997, Presidents Bill Clinton and Boris Yeltsin agreed at the Helsinki summit to commit their governments to negotiate another reduction, to 2,000 to 2,500 weapons each.

The relatively quick presidential agreement, however, was not matched by similar legislative dispatch. The Senate and the Duma easily approved START I, but START II became embroiled in a power struggle between Yeltsin and the Duma's communist-led opposition. In 1997, when it was clear that the Duma would not approve the treaty in time to implement all its terms by the deadline of 2003, Moscow and Washington agreed to extend the treaty's completion date to 2007. Russian irritation over NATO expansion and the Kosovo War further delayed action on START II. After seven years of squabbling, the Duma finally approved the treaty and the extension protocol last March. Even then the Duma conditioned its approval on the willingness of the United States to ratify two amendments to the 1972 Anti-Ballistic Missile Treaty and to continue to abide by that treaty's provisions. The Senate, which has approved START II, has yet to take up either the agreement extending its implementation or the two ABM amendments.

Although action on START II remains to be completed, talks on START III have begun. Moscow now proposes reducing each side's force to between 1,000 and 1,500 warheads. The proposal reflects Russia's interests. By most estimates, budgetary pressures will force it to cut its arsenal to 1,000 warheads or less by the end of the decade.

The Clinton administration has stuck by the original Helsinki numbers, pointing out that top American military officers insist that the United States needs at least 2,000 war-

heads to maintain its nuclear deterrent. Other opponents of going down to 1,000 warheads argue that deep cuts would force the military to abandon the land-based leg of the nuclear triad, thereby making it theoretically easier for an aggressor to wipe out the U.S. deterrent in a first strike. And some opponents argue that it amounts to trading something for nothing because Moscow will go down to 1,000 warheads no matter what the United States does.

None of these arguments against deep cuts is compelling, and the United States should seek over the long term to reduce its nuclear arsenal to below a thousand warheads. The Pentagon's estimate of what it needs for a robust nuclear deterrent itself depends on presidential planning guidance, guidance that still reflects Cold War thinking. No one seriously contends that Russia is planning a deliberate first strike, and whatever residual threat Russia poses will fall as its arsenal shrinks. Nor is it plausible to argue that the United States can deter the rest of the world with 2,500 warheads but not 1,000 or 1,500. As for the triad, it could be maintained with as few as 1,500 warheads, and its eventual disappearance should not be a cause for alarm but a source of relief that the United States no longer faces a Soviet-style threat.

In embracing the Russian call for deep cuts, the United States would not be doing Moscow a favor but advancing its own interests. The Defense Department expects to save \$1.5 billion a year by going down to 2,500 warheads. It would save hundreds of millions of dollars more by going down to 1,000. These are not huge sums by Pentagon standards, but they will help the services meet their growing procurement needs in the years to come. A firm commitment to deep cuts would also enable the United States to counter critics who charge that

it has abandoned the cause of arms control and regain the moral high ground in the effort to halt the spread of nuclear weapons. And most important, deep cuts would improve American security by reducing the number of missiles aimed at the United States.

But numbers of warheads tell only part of the story. As important as reducing the size of Russia's arsenal is reducing the chances of accidental launch. Russia continues to maintain its nuclear forces on high alert even as its early warning system falls into increasing disrepair—a combination that invites disaster. Both countries recognize the problem, and in June they agreed to set up a shared early warning center in Moscow. Much more can be done, however, particularly in the area of reducing alert levels. The United States and Russia should take steps such as separating warheads from launchers, which would slow down the rate at which a crisis could develop.

The question remains, of course, how best to achieve the goals of slashing offensive weapons and reducing the chances of accidental launch. The Clinton administration relied on the traditional approach of negotiating formal arms control treaties. While such agreements provide clarity about each side's obligations, they are time consuming to negotiate. Gover-

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nor Bush has proposed reducing the U.S. arsenal unilaterally—though he has not said to what number—and inviting the Russians to follow suit. The main question here is whether Congress would tolerate unilateral reductions, especially if it believes Moscow is dragging its feet in response. Congress barred Clinton from unilaterally reducing the U.S. nuclear arsenal to START II levels until the Duma approved the treaty.

National Missile Defense

The third issue on the nuclear agenda and the one with potentially the most far-reaching consequences is national missile defense. President Clinton has pushed development of a ground-based defense that uses “hit-to-kill” technology to destroy warheads in space, though he has left the decision whether to deploy it to his successor. Unlike the more ambitious Strategic Defense Initiative, the Clinton system would be capable of shooting down no more than a couple of dozen warheads. The rationale for this limited system is the fear that North Korea, Iran, or Iraq might soon acquire the ability to threaten the United States with long-range missiles.

Despite its limited capabilities, the Clinton system has come under sharp attack abroad for potentially fueling a new arms race. Moscow rebuffed the administration’s proposal to modify the Anti-Ballistic Missile Treaty to allow for deployment, arguing that the treaty is a cornerstone of strategic stability. Beijing has been an even more bitter critic for a very simple reason: if the Clinton system works, it would in theory render China’s force of some 20 long-range missiles obsolete. European capitals have also been hostile. They dismiss the threat from North Korea, fear the start of a new arms race, and worry that they will become a more tempting target for attack.

The Clinton administration’s system is proving to be increasingly controversial at home as well. The domestic coalition that pushed a reluctant president to embrace missile defense is fraying. Some missile defense proponents agree with the administration’s decision to pursue a limited defense but argue that it has chosen the wrong architecture. They call for developing boost-phase interceptors that shoot missiles down shortly after launch before they can deploy any countermeasures. Other proponents dismiss the Clinton system as too limited. They favor larger defenses that could defeat a Chinese attack or handle a large-scale accidental launch from Russia. And still others cling to Ronald Reagan’s vision of building an anti-missile shield that would render nuclear weapons “impotent and obsolete.”

So the real debate over missile defense is just beginning. Arms control advocates hope to frame the debate as a question of whether to build defenses at all. But that is not likely to be the debate, notwithstanding North Korea’s suddenly more moderate behavior. Both Al Gore and George Bush accept the need for missile defense in principle, though they differ sharply on the specifics, and the problem of missile proliferation is not going to fade away. Just as important, the Cold War is over. Washington and Moscow are no longer mortal enemies, and there is room to rethink the role of defense in Amer-

ican security. Russian President Vladimir Putin conceded this point himself with his proposal last June in the wake of the Moscow summit that Russia and NATO work together to develop a defense against the growing missile threat.

That is not to say that missile defense technology is ready today, that all defenses make sense, or that defensive deployments can be done cavalierly. Quite the contrary. The difficulties plaguing the Clinton administration’s limited anti-missile system—it flunked two of its first three tests—show that the Pentagon has a long way to go in perfecting defenses against even very small attacks. For that reason, talk about defenses that will negate the nuclear balance of terror or do away with mutual assured destruction is wildly premature.

Even if more ambitious defenses become practical faster than anyone expects, they still may not be desirable. The effort to build a defense against China is unlikely to produce any lasting U.S. advantage and could well undermine U.S. security. Beijing is technologically and financially capable of developing missiles that could penetrate any American defense, and it could become more disagreeable on other issues (such as nuclear proliferation) that matter to the United States. Proposals to build ambitious defenses to handle a large-scale Russian accidental launch are of similarly dubious value. Building anything other than a clearly limited defense risks derailing efforts to make deep cuts in offensive forces because at some point Russia will need to keep more offensive weapons to preserve its nuclear deterrent. In short, it is simpler, cheaper, and far less destabilizing to work with Russia to cut its arsenal, to lower alert rates, and to strengthen its command and control and early warning systems.

Washington should also take the diplomacy of missile defense very seriously. The wisest course of action would be to negotiate modifications of the ABM Treaty with Moscow and possibly even conduct joint programs with Russia. The reason for so doing is not that the ABM Treaty is sacred but that formal agreement reassures Moscow about American intentions and substantially reduces the diplomatic costs of deployment. After all, Europe can hardly object to a missile defense if Moscow doesn’t.

Of course, Moscow may prove intransigent on missile defense and leave the United States with no choice but to withdraw from the treaty. But if so, Washington should still seek to allay Russian concerns. At a minimum, it should pursue a tacit arms control policy that keeps Moscow informed of its plans and unilaterally accept intrusive verification procedures. No one should be under any illusion, however, that tacit arms control will be easy to establish. Not only is treaty abrogation an inauspicious foundation on which to build a new relationship with Moscow, but also domestic political support for tacit arms control could prove elusive. Critics will ask why the United States is sharing sensitive information with countries that target American cities and that are under no legal obligation to open their own nuclear arsenals up for inspection. The net result might be no arms control at all. Both Washington and Moscow should keep this in mind as they discuss the future of the ABM Treaty. ■

by Fiona Hill

RUSSIA

The U.S. Response to Cha

The 1990s were a disappointing decade for Russia, marked by severe economic decline and two devastating wars in Chechnya. Internationally, with the collapse of the USSR, Russia lost much of its stature on the world stage, and Western countries made incursions into its former spheres of influence—most notably by expanding NATO and intervening militarily in the Balkans. As the 21st century opens, the Russian state seems barely capable of the most basic political, social, and economic functions and incapable of projecting power abroad.

In the wake of the Cold War, Russia is still trying to reposition itself in its single most important relationship, that with the United States, and to define a new role regionally and globally. The greatest fear of Russian leaders, intent on retaining Russia's position as a great power, is to see their state relegated to the status of a "third world" country—"Upper Volta with missiles," as one Russian commentator once put it. The quest for international respect will pose major challenges for a new U.S. administration seeking to manage the relationship with Russia.

Russians have put much store in their new president, Vladimir Putin, who is promising to bring stability and prosperity at home and respect abroad. Putin is a product of the Russian political elite—a state functionary affiliated with the security services, plucked from relative obscurity by Kremlin insiders, and then designated to replace the ailing Boris Yeltsin and send a strong message to the outside world. His ascendancy represented a statement on behalf of all Russians that "we will henceforth define our own political and economic path." As a result, Putin will be forced to chart a policy course among the shoals of elite and public opinion and the competing demands of powerful political factions to whom he is beholden.

New Policy Imperatives in Russia

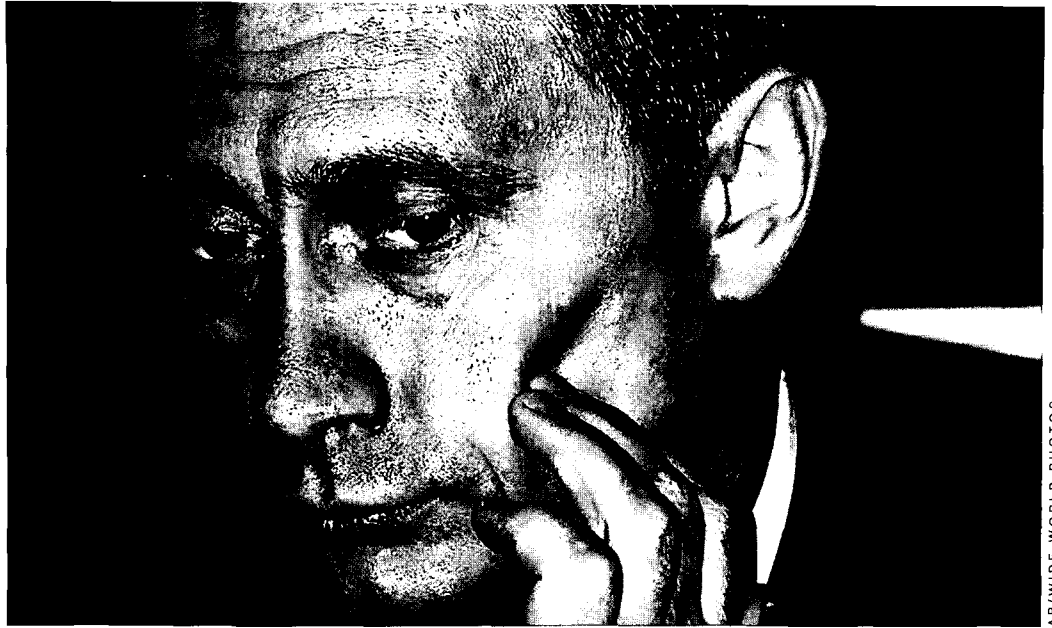
Stability and control have supplanted marketization and democratization as Russia's policy imperatives. Stability, in the form of peace, security, and legal order, has been repeatedly singled out in public opinion polls as the overriding goal of the Russian people. Control implies reestablishing a centralized, paternalistic government that will check

the chaotic devolution of authority to Russia's regions, strengthen the powers of the presidency, increase state regulation of the economy, and boost the powers of law enforcement agencies, the security services, and the armed forces to combat crime and corruption and threats from separatists.

Government policy actions this year have been consistent with these imperatives. To date, they have included the restoration of the Presidential Security Council as the primary decisionmaking body; the reduction of the powers of the Federation Council, the upper chamber of Russia's parliament; legislative attempts to enable Putin to remove regional governors; the creation of seven super regions in the Russian Federation and the direct appointment of presidential representatives to supervise them; and decrees to bring regional and federal laws into conformity. These measures have been complemented by the determined pursuit of the war in Chechnya to overcome the national humiliation of defeat there in 1996; the resurgence of the FSB, successor to the KGB; detentions and arrests of researchers, journalists, and oligarchs perceived to be acting contrary to state interests; and increasing restrictions on press freedoms.

The Russian political elite sees economic development as the best way to

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a gging Policy Imperatives

strengthen the state and restore Russia's international position. To succeed, Putin must deliver on the economy. But with Russia's economy—dysfunctional and mutant, with a logic and rules all its own—only a conscious, comprehensive reform effort has even a chance to work. Serious reform would require a leadership that understands the current system and is willing and able to tackle it in all its complexity. But dismantling the existing economy would make Russia unstable, weak, and vulnerable for years—clearly an unacceptable prospect. So the Putin administration must find ways to achieve economic growth at minimal cost to political and social stability. That may be possible for a time. By building on the devaluation of the ruble after the 1998 financial crisis and on profits from high oil and gas prices and by stemming the direct looting of government resources and the squandering of budgetary funds, Putin could spur short-term growth. But long-term economic health—sustainable high rates of growth capable of supporting Russia's reemergence as a major power—is highly unlikely.

Emphasizing the economy has implications for Russia's foreign policy, as outlined in the new Ministry of Foreign Affairs doctrine produced in July. It means securing a breathing space and minimizing difficulties abroad. It also

means stressing commercial and trade issues, obtaining debt relief, attracting foreign investment, and emphasizing cooperation with international economic and political structures such as the European Union. But the U.S. relationship remains crucial for Russia. Moscow will seek to regularize high-level contacts while working to limit any deployment of missile defense, prevent any significant change in the 1972 Anti-Ballistic Missile Treaty, and discourage any further enlargement of NATO—especially one that might encompass the Baltic states. Russia will also want to assert itself in geographic areas that have been declared national priorities, including the Baltics, the Balkans, the Caucasus, Central Asia, and the Caspian Sea. The latter area with its energy reserves is particularly important to Russian economic interests.

Chechnya will remain a sticking point. The war is a defining moment for Russia. It is an ethnic war where a minority has been brutally persecuted—irrespective of the merits of the stated goal of countering terrorism. The approach is an explosive one for a multiethnic state. Although Russia is more than 80 percent ethnic Russian, it is also home to many non-Russians—around 27 million people from some 100 different ethnic groups. Although other secessions along the lines of Chechnya are unlikely, it will be hard

to consolidate the state around a national core when many non-ethnic Russians who are Russian citizens have perished at the hands of the national army. Widespread disaffection among non-Russians (especially Muslim groups), suspicion of the ethnic Russian chauvinism of the center, and more rather than less instability seem the likely result.

Chechnya is more important for relations with the United States than it may initially seem from the point of view of U.S. national interests. It reveals much about the likely nature of Russian policy under Putin and some of the difficulties and dangers that Russia faces. That the war has raged amidst planning for liberal economic reforms indicates that Putin's policies will be both progressive and regressive from the U.S. perspective. Economic reform and pragmatic relations with the West may be pursued while domestic dissent is stifled in the name of establishing strong central state control. Furthermore, the war in Chechnya is an important policy tool for the Putin government. It is not just a counterterrorism operation or simply a national tragedy. It is a projection of state power, no matter how flawed its execution.

This duality will make it increasingly difficult for a new U.S. administration to reconcile the universal principles and values Americans hold dear—human

rights, democratization, and integration of the world economy—with the strategic imperatives of relations with Russia. If U.S. interests in Russia are defined by a new administration as ensuring human rights and establishing an open, liberal market economy, then the United States and Russia will likely clash on fundamental issues of values. Russia will represent a threat simply because it will itself be an exception in both cases.

Maintaining an accurate image of post-Cold War Russia will be essential for a new administration. Russia is like Great Britain and France after World War II, a former great power in the throes of decay that has lost both an empire and the means to preserve its crowning achievements. As the sinking of the Kursk nuclear submarine and the catastrophic fire in the Ostankino television tower both illustrated last August, the imperial military legacy and infrastructure cannot

Given Russia's desire to be accorded respect internationally, and taken seriously by the United States in particular, symbolism and appearances are key. Skillful diplomacy will be required to ensure that Russia perceives no diminution of status in its relations with Washington. The attention now paid to Russia should continue, even if form rather than substance dominates summit meetings in the future. Consultation, dialogue, and the semblance of cooperation will be crucial.

Missile defense is likely to be a central issue. The United States should make an earnest effort to gain Russian support for (and participation in) any transition to a world of greater missile defense. At least in principle, that should be possible, as no defense being contemplated by the United States would threaten Russia's nuclear status. But if Russia cannot be brought along, then any abrogation of the Anti-Ballistic Missile Treaty should

be done as openly as possible to minimize the impact on the overall relationship and to preserve prospects for mutual reductions in nuclear arsenals. The same approach applies to NATO enlargement, which should be presented as a technical issue—when countries meet the specific and rigorous criteria for inclusion, they can join. No one is excluded, not even Russia.

A somewhat different approach will be required with regard to the conflict in Chechnya, which is likely to drag on as a guerrilla war. A new U.S. administration, like its predecessor, will want to emphasize that criticism of Russia's conduct in the conflict, including how it treats its own citizens, does not challenge its territorial integrity. But the United States must be careful not to make common cause with the slaughter of Russian citizens, while supporting legitimate action against activities by terrorist groups in the region.

This leads to the question of policy linkage. If Russia must distinguish between countering terrorism and brutalizing civilians in Chechnya, the United States must also delink its prior-

ity issues like nuclear nonproliferation from Chechnya. Washington must protect its own vital interests and not compromise on them—by, for example, cutting funding to programs in Russia that enhance the security of nuclear installations—as part of sanctions against Russian conduct in Chechnya. At the same time, the United States must also speak out consistently and firmly when fundamental values are challenged through political repression, including a crack-down on Russian civic organizations, or brutal reprisals against minority groups. Russia is now integrated with the West to such an extent that if it is allowed to diverge from standards of human rights, rule of law, and democracy, promoting these values elsewhere will be difficult.

Russia's domestic affairs have their own dynamics. The United States can no longer make shaping Russia's economy and polity in its own image the focus of its Russia policy. But support for indigenous Russian efforts to liberalize and reform the economy and politics—especially in Russia's regions—should continue. Such support is a sign of commitment to the state's overall development rather than an attempt to impose prepackaged Western formulas, and will help build a reservoir of good will toward the United States. On the macroeconomic level, continued assistance, debt relief, and loans should be contingent on real evidence of reforms in areas where aid is to be applied.

A new U.S. administration must bear in mind that Russia's current predicament will certainly continue far beyond its term in office. A host of pressing issues—not only comprehensive economic reform and resolving the ongoing war in Chechnya, but also military reform, Russia's demographic and health crisis, and severe environmental degradation—have been and will continue to be neglected in the name of stability. All require hard choices that will rupture national consensus and destabilize the polity. They cannot be neglected forever. Over the long term, the United States will be dealing with a continuously weakened Russia, even though it may have acquired some superficial attributes of a stronger state. ■



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be maintained on a shoestring. Rebirth is many years in the future, if ever, and Russian policymakers will face hard choices about where ultimately to apply the state's scarce resources. Meanwhile, Russia has the capacity to cause great harm both to U.S. interests through its nuclear arsenal and technology exports and to its own people and the states around it—especially those to the South. Russia is likely to be a negative rather than a positive power for the foreseeable future, posing more problems than opportunities for U.S. policymakers.

Preserving Appearances

Still, certain approaches to managing the relationship can safeguard U.S. priorities.

China

| by Bates Gill and Nicholas Lardy

Searching for a Post-Cold War Formula

Of all the bilateral relationships the United States will negotiate in the coming decade, the most critical—and complex—is that with the People's Republic of China.

business hopes Clinton will boost long-term U.S.-China ties especially with

political climate is less hospitable. The snub of Chinese Premier Zhu Rongji during his Washington visit to finalize U.S.-China World Trade Organization negotiations and

the unintentional bombing of the Chinese embassy in Belgrade—the relationship has been on a

downward slide since the mid-1990s as the two sides have

become increasingly wary of one another's long-term intentions.

Engagement

War with the Soviet Union. June, President Clinton made a much different choice over and trade and

Without question, the U.S. must make a choice between trade and security. The U.S. must choose between trade and security.

many — to name but a few — the U.S. must choose between trade and security.

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Developments since late last year suggest some positive momentum: completion of bilateral negotiations on China's entry into the WTO, approval by both the House and Senate of permanent normal trade relations status for China, and initial Chinese restraint in the face of Chen Shui-bian's presidential election victory on Taiwan. But these steps, while helping to stabilize the relationship a bit, should breed no sense of complacency. The U.S.-Chinese relationship is likely to be contentious for years to come.

A look at some of the economic, political, and security thickets ahead makes clear the need for the next administration to devote considerably more effort than its predecessor to integrate China more closely into the international system, to foster more cooperative U.S. ties with China, and to rebuild a broader consensus at home in support of a stable relationship with Beijing.

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Economic Relations and Trade

The primary goal in Sino-American economic relations is to secure China's full compliance with the rules of the global trading system. Since its economic reforms began in the late 1970s, China has quintupled its share of world trade. By the mid-1990s, it had become the most important trading country in the world not subject to the disciplines of the multilateral trading system. While China enjoys relatively unimpeded access to the markets of the United States and other industrial countries, it shields its own markets from foreign goods by a broad array of tariff and nontariff barriers. China also restricts the sectors and the conditions under which it allows incoming foreign direct investment.

Entry into the World Trade Organization, expected in early 2001, will change forever the character of China's interaction with the global economy. China has agreed to cut tariffs substantially and to phase out all nontariff barriers, such as import licenses and quotas. Even more important, it will open sensitive sectors, such as telecommunications (including the Internet), financial services, and distribution, to significant foreign investment for the first time. China also has agreed to enforce international standards on protecting intellectual property and to provide greater access to its markets for motion pictures, music, and software.

Lowering trade and investment barriers will require wrenching adjustments in China, as inefficient industries, particularly state-owned ones, face more competition. While job displacement will easily run in the millions as some industries shrink, China's leadership is betting that the capital and labor freed up will be redeployed in more efficient firms, most frequently in the private sector, spurring job creation and growth. The leadership, in other words, sees heightened global

competition as a means to accelerate economic reform and restructuring.

Still, implementing the agreement covering participation in the WTO is almost certain to be problematic for China. Despite efforts (its own and others') to educate its top provincial and ministerial leaders, as well as the management teams of the largest state-owned enterprises, understanding of basic WTO principles and the details of China's commitments remains poor. Even worse, some bureaucrats appear determined to protect their turf from foreign competition through new nontariff barriers. Provincial and local officials are adept at using protection to discriminate against all goods produced outside a locality, including those of foreign origin, and the central government will not easily halt such practices.

Washington's task will be to pursue and monitor Chinese compliance with its international obligations—which means



Now, as for much of potential flashpoint in U.S.

providing more resources. First, the new administration must strengthen its ability to track China's trade performance and practices, ideally from the American embassy in Beijing and the American consulates in various other locations in China, rather than from Washington. China's compliance with its obligations cannot be monitored effectively by remote control. Second, the new administration must help nurture institutional change in China. The European Union, Canada, Australia, and Japan are all providing training and other support to help Chinese officials understand the rights and obligations of WTO membership. An obvious place for Washington to start would be to fund the Rule of Law Initiative that President Clinton announced at the October 1997 summit meeting with Chinese President Jiang Zemin in Washington. The initiative, never funded by Congress, would provide training for Chinese judges and lawyers and strengthen Chinese commercial law and arbitration, strengthening the ability of China's legal system to support a market economy.

Finally, Washington should provide more funding for the WTO, whose professional staff is tiny and whose budget is minuscule. Bringing China into the system will create new demands, particularly on the multilateral dispute settlement process, which now can handle only about 45 cases a year. Efforts to ensure Chinese compliance with the principles of the WTO will be compromised if this capacity is not expanded to cope with the new cases that Chinese membership will entail.

Ensuring that China complies with its WTO obligations is crucial. If compliance falters, critics of normal trade relations with China will argue that the broader strategy of engagement is failing, indirectly eroding support for engagement in other areas of the relationship.

Political and Security Relations with a Rising China

Although the goal of expanded business and trade relations with China enjoys widespread support among American economic leaders, the U.S. strategic policy community remains divided over how to deal with what nearly all sides agree will be a stronger and more assertive China in the years ahead. To keep from destabilizing U.S.-China relations and to draw China into a more cooperative regional and global stance, the next administration will need to deftly address security-related challenges in three principal areas: national missile defense, Taiwan, and America's forward presence in East Asia. But this process will be very difficult, and, as with economic relations, the new administration must dedicate sustained attention to managing these challenges at the multilateral, bilateral, and U.S. domestic levels.

In the past 50 years, Taiwan will be the hottest potential flashpoint in U.S.-China security relations.

National Missile Defense

China strongly opposes U.S. plans to move forward with a form of national missile defense (NMD) that could (at least in theory) negate China's modest strategic capability. In response, China will probably accelerate the ongoing qualitative and quantitative upgrade of its strategic arsenal, is likely to continue stonewalling progress on multilateral arms control in Geneva, and could consider the proliferation of NMD countermeasures at some point in the future should relations with the United States go badly.

Mitigating or preventing these outcomes will present a difficult challenge for the next administration and may in the end prove impossible. However, the alternatives—simply letting the strategic cards fall where they may with China in pursuit of NMD systems or allowing Chinese objections to end the promise of missile defenses altogether—are not strategically acceptable. Rather, the administration should set as a goal both NMD deployments and stabilized relations with China. Proceeding otherwise at this early stage in the NMD decision-making process would be strategically wrongheaded, but we should harbor no illusions about the prospects for such an approach.

To begin, the new administration will need to redouble current efforts to regularize senior-level consultations with the Chinese on NMD, while improving the overall atmosphere of U.S.-China relations. At this stage, NMD remains largely a political, rather than military-technical, problem for China: Chinese strategists and scientists remain relatively confident they can build the countermeasures to preserve their nuclear deterrent. For China, NMD is a barometer by which to gauge its political relations with the United States—far and away the most important bilateral relationship for Beijing and

one that holds the keys to all other Chinese strategic goals. In this environment, improving the overall tenor of U.S.-China relations would create an atmosphere in which U.S. NMD decisions would be more acceptable to Beijing.

Second, such discussions should explore more seriously the stable parameters of a world where strategic defenses come to play a more central role in nations' security. This discussion must eventually come down to numbers and technicalities. Certain NMD configurations will clearly signal hostile political intent on the part of the United States toward China, threatening core Chinese strategic goals. On the other hand, so-called "boost-phase intercept" programs may prove far less troublesome to China than those now on the table. Clear ceilings on the size of any U.S. anti-missile capability will also go a long way toward reassuring China. However, before such discussions with China can go very far, the U.S. side will need

to clarify for itself where it plans to go on missile defense. Importantly, the domestic political debate continues over whether NMD designs should target the Chinese arsenal or whether the United States is prepared to live with a credible Chinese deterrent force. Pending those decisions, efforts to strategically reassure

the Chinese over future U.S. NMD deployments cannot go very far.

The goal of limited NMD deployments and stabilized relations with China will require sustained management of U.S.-China ties bilaterally, as well as closer consultations with our allies, and within the strategic and political communities at home—a tall order. Short of this, future U.S. China policy should fully weigh and be prepared to cope with likely negative Chinese reactions to U.S. NMD deployments: accelerated strategic arms buildup, stalled multilateral arms control, worsening bilateral ties, and renewed proliferation concerns.

Taiwan

Now, as for much of the past 50 years, Taiwan will be the hottest potential flashpoint in U.S.-China security relations. But recent events in Taiwan—most important the remarkable democratic evolution of the island and the election of long-time opposition figure and pro-independence politician Chen Shui-bian to the Taiwan presidency—dramatically call into question many of the assumptions that have governed the relatively peaceful cross-Straits dynamic for so many years. A more confident Taiwan, increasingly aware of its "separateness" from the mainland, has prompted Chinese reactions that are at best inflexible and dismissive of changed circumstances and at worst provocative and potentially dangerous in the face of new realities.

A top priority for the new administration should be to revisit American policies toward the U.S.-China-Taiwan triangle. The fundamental U.S. interest remains unchanged—to avoid war in the Taiwan Strait. Washington should oppose any unilateral and unprovoked declaration of independence on the part of Taiwan, as well as any use of force by China against Tai-

wan. Beyond this fundamental baseline for U.S. policy, several other steps are necessary.

First, the next administration will need to help build on and strengthen what hopeful, though cautious, momentum has been generated in the wake of Chen Shui-bian's election. It should urge both parties to devise new ways to enable direct bilateral negotiations, economic interactions, cultural exchanges, and structured confidence-building measures to proceed more freely.

Second, the new administration will very early in its tenure (around April) face some key decisions on Taiwan arms sales, especially regarding missile defense for Taiwan. The U.S. side should maintain its intention to equip Taiwan to defend itself against potential Chinese coercion and military threats as long as China holds out the use of force as a possible means to resolve its differences with Taiwan. Armed with such an understanding, providing lower-tier, land-based missile defenses to Taiwan is consistent with U.S. commitments under the Taiwan Relations Act and is entirely appropriate given China's continuing buildup of short- and medium-range missiles opposite Taiwan. Other, follow-on sales of more capable missile defenses should await far more study of their diplomatic and military-technical implications and should not be considered as a given. The U.S. side should also forcefully urge Taiwan to be more serious in developing its "passive defenses"—hardening command posts, shelters, and other key facilities, for example—to better withstand a possible Chinese ballistic missile attack.

U.S. policy needs to operate on the understanding that the continued maturation of democracy on Taiwan presents a small, sensitive, but nonetheless hopeful opportunity for the cross-Straits relationship. The democratization of Taiwan is not inconsistent with the "one-China" principle, and it is favorable to the interests of the United States and the people of Taiwan. Perhaps most important, it holds out a model for the mainland's possible political transition toward a more pluralistic society—in the end, the most fundamental requirement for resolving peacefully the cross-Straits differences. Caution and careful diplomacy here are crucial: "support for democratization" cannot be equated with "support for independence." But the next administration must earnestly and actively acknowledge the growing centrality of democratization to the Taiwan question.

East Asia

The final principal challenge for U.S.-China security relations is Washington's evolving security relations with its allies in East Asia—particularly South Korea and Japan. The next adminis-

tration should make a point early on of underlining our continued commitments to strong ties in the region. An early presidential visit to Seoul and Tokyo, or a three-way United States-Japan-South Korea summit, should take place well before—and not be simply linked to—the November 2001 APEC summit in Shanghai. Moreover, Washington should make clear that efforts to strengthen U.S. bilateral security arrangements in the region—such as with Japan, the Philippines, South Korea, and Australia—are in part contingent on its assessment of regional security trends, including the likelihood of a peaceful outcome to differences across the Taiwan Strait and China's overall military posture in the region.

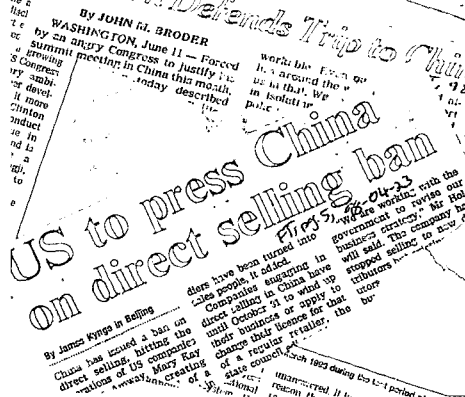
At the same time, more far-reaching efforts should be undertaken to reassure China about long-range U.S. alliance intentions in East Asia. Continued strong commitments to progress in the Four Party Talks among Seoul, Pyongyang, Beijing, and Washington are critical, as

would be policies in support of improved security and military contacts, both governmental and nongovernmental, among China, Japan, and the United States. In short, our alliance relationships in East Asia should put every effort toward shaping China's integration as a stabilizing influence for regional security. That means both positive interactions and elements of "hedging" and military preparedness in consultation with our allies.

Rocky Road Ahead

The challenges of our economic and security interactions with China at once share commonalities and illustrate deepening divisions in the U.S. approach to China. For both economic and security relations, the next administration will find that China should consume a far greater amount of time and hard thinking, requiring more energy than in the past at bilateral, multilateral, and domestic political levels to manage the relationship in constructive ways. This is a function of China's growing importance in regional and world affairs, and the next administration will need to give China and East Asian matters the greater weight they command.

But can a consistently stable relationship with China be expected? Probably not. Most indicators point to a rocky road ahead, with many potential detours into even worse conditions. At best, a challenging period of contentious, cautious cooperation with China awaits the next administration. But the stakes for regional stability and prosperity that come from a China that is "tied in," rather than "shut out," are too high to allow such challenges to slip into hostility, confrontation, or even conflict.



**The primary goal
in Sino-American
economic relations
is to secure
China's full compliance
with the rules of the
global trading system.**

Nudging an Underachiever into a Greater Global Role

What a difference a decade makes. In the late 1980s, Japan was highly visible in Washington—its strong economic performance the object of either admiration or unease—and seemed on the verge of becoming a more major player in regional and global affairs. Today Japan attracts little attention in Washington—a victim of almost a decade of economic stagnation and unfulfilled expectations on the security and diplomatic side.

Still, Japan remains the second largest economy in the world and one of the handful of very affluent advanced industrial economies. From an American perspective, Japan remains an important trade and investment partner and a key strategic regional ally linked by a formal security treaty. Nevertheless, political and economic trends could complicate American foreign policy toward Japan in the new administration.

Macroeconomic and Financial Problems

From 1992 through 1999 Japan's aver-

age annual real GDP growth was just under 1 percent, and the period ended in recession (with five consecutive negative quarters in 1997–98 and two more in the second half of 1999). Growth may finally be returning, but Japan's problems are far from over, and the new administration could well face a Japan whose economy continues to stumble.

First, the recovery may not materialize—or may be short-lived. Having ramped up fiscal deficits to jump-start the economy since 1998, the government will be eager to reduce them before the ballooning public debt



becomes potentially dangerous. Concern over rising debt could lead the government to raise taxes and cut spending too quickly, before a solid private-sector recovery is under way. A modest recovery followed by renewed recession or stagnation is a distinct possibility.

A renewed financial crisis is also possible. Since 1998, the Japanese government and the financial sector have begun to address the enormous nonperforming loan problem. Some bad debts have been written off; a handful of financial institutions have been nationalized, cleaned up, and sold back to private-sector owners; other banks have been recapitalized with government funds; and several large banks have merged. But these steps do not come close to cleaning up the problems. Meanwhile, the decline in real estate prices that has soured so many bank

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loans continues unabated, and a recurring recession would create more non-performing loans.

Finally, the longer-term prospects of the economy remain uncertain. Demographic trends—a low birth rate that will cause a population decline beginning in 2008—are already shrinking the working-age cohort and within a few years will set off a social security funding crisis that dwarfs that of the United States. Meanwhile, government debt, already more than 100 percent of GDP, will keep climbing. And deregulation to underwrite a more robust private-sector renewal continues at a snail's pace. Even if none of these problems leads to serious recession or financial crisis in the next decade, an underperforming economy with only marginally positive growth is highly likely.

A growing, robust Japanese economy is very much in the interest of the U.S. government. Weighing in at 9 percent of global GDP (at purchasing-power-parity exchange rates), Japan's economy has a small but measurable impact on global economic performance through trade and investment linkages. Japan is also the world's largest gross and net global lender, with the Japanese owning some \$2.6 trillion in gross overseas assets and \$1 trillion in net assets. Serious macroeconomic or financial problems in Japan could thus disrupt global financial markets—through either sudden capital flight or capital repatriation to meet obligations at home.

For all these reasons, Japan's macroeconomic and financial health should matter greatly to the new administration. Monitoring both should be the first objective—though the paucity in the U.S. economy of working-level expertise on the Japanese economy makes that task harder.

The bigger issue is what to do should serious economic problems in Japan recur. The bad news is that the U.S. government has little leverage here. The administration can speak out in favor of more sensible policies, but absent a true economic crisis, the record of the past decade suggests that its comments will fall on deaf ears. Washington can also nudge along deregulation and encour-

age a more open market for inward direct investment to help spur a private-sector recovery, but no amount of American advice or encouragement can persuade or force Japan to do what it is reluctant to do.

Trade: A Vanishing Issue?

During the past several years, once highly visible U.S.-Japanese trade issues have virtually disappeared. One reason for that change has been the sudden surge of foreign direct investment into Japan since 1998—including the acquisition of several Japanese firms by American or other non-Japanese corporations, a development unthinkable just a few years ago. Still, specific market access problems remain, and U.S. government officials involved in trade negotiations have seen little change in the defensive, obstinate negotiating behavior of their Japanese counterparts.

More open trade and investment is an obvious benefit for Japan, and leadership in moving negotiations forward in a new world trade round would be a natural step for the Japanese government—or so Americans unfamiliar with the historical, political, and social setting of Japan seem to believe. But incoming administration officials need to recognize that extensive consultations with Japan will be a necessary, and probably frustrating, part of the effort required to get the next world trade round on track. Japanese objections on agriculture and other issues helped sink prospects for the new round at the 1999 WTO meeting in Seattle.

If the new administration makes the WTO round a major priority, bilateral trade negotiations may recede in importance. The Japanese government will no doubt keep up its recent effort to push bilateral disagreements into the WTO dispute resolution process, an approach that the administration should second when appropriate. But not all bilateral issues fit within the still-imperfect framework of the WTO, so some negotiations will have to continue at the bilateral level. These negotiations are often tense, and progress is glacial. Incoming officials often hope for a magic solution, but none exists.

A Changing Security Alliance?

The cornerstone of American security policy in the Pacific over the past half century has been the U.S.-Japanese security alliance. A decade after the end of the Cold War, the alliance remains central to American regional strategy—permitting a continuation of forward troop deployment to cope with tensions throughout the region. The alliance has also served Japanese security interests, and Japan's role in it has expanded modestly over the 1990s. But the next administration will face some new challenges here as well.

The generation of Japanese political and bureaucratic leaders who lived through World War II and the occupation—and who believed strongly in the benefits of a close alliance with the United States—is passing from the scene. Many in the next generation have bridled at the enormous inequality of a nonnuclear Japan, with strictly defensively postured military forces, paired with a powerful, nuclear-armed United States. Over the next decade, debate in Japan about security policy will be more open. The value of the bilateral security treaty will come under question, as much because of simple national pride as because of careful calculation of security costs and benefits.

One increasing security-related concern in Japan has been the continuing presence of American military bases. The problem has been acute in Okinawa—the one location in Japan where U.S. bases are a nonnegligible presence. During the past several years, debate has intensified over whether to move the Futenma air base, located in a heavily populated area where its noisy operation is particularly intrusive. Opposition to American bases could become more serious in the next several years, even if the Futenma base is relocated.

Changing attitudes also provide new opportunities to engage the Japanese government on issues once considered too sensitive to raise. Revision of Article 9 of Japan's constitution, which prohibits use of military force, is in the early phases of serious discussion by Japanese politicians. Eventual revision (or even reinterpretation) that permits Japanese armed

participation in United Nations peace-keeping operations or other collective military action is finally a possibility, though still sufficiently controversial that the next administration is best advised to remain silent on the issue. However, bilateral discussion about Japan's role within the security alliance—from action by the Japanese military in the vicinity of Japan, to anti-piracy, sea-lane protection—should proceed regardless of the state of play on constitutional revision.

But the budgetary environment for defense in Japan will grow less hospitable over the next several years. The inevitable overall fiscal austerity as the government begins to cope with its rising debt burden will be a serious constraint on security policy. Financial support for American bases in Japan, new weapons acquisition, and funding for joint research and development with the United States on theater missile defense will all face serious questioning and possible cuts.

Japan's Regional and Global Role

For the past half century Japan has kept a low profile in regional and global affairs. For more than a decade Washington has encouraged a more active role for Japan, using rhetoric about a global partnership or bilateral dialogue on the Common Agenda. It remains in the interest of the U.S. government to nudge Japan to become more prominent in regional and global economic, social, political, and security affairs. Doing so, however, will require that Washington tolerate a more independent voice from the Japanese government, one that will more often disagree with American initiatives.

On regional political and security issues, Japan is a critical partner. What happens on the Korean peninsula, or even as far away as Indonesia, often has larger and more immediate ramifications for Japanese security and economic well-being than for the United States. Even

with constitutional constraints on its military role, the Japanese government is in a position to provide diplomatic and financial support for a variety of peace-building measures. Engagement with the Japanese government on regional issues, therefore, is important—diplomatic and financial support will

regionally is not necessarily a bad development, but it could take a form that creates a new problem for the next administration. An Asian Monetary Fund that provides a strictly regional fund to help members resist currency fluctuations, for example, would undermine pressures from the International Monetary Fund or U.S. government for important economic reforms in Asian developing countries. Thus, while encouraging a more active and engaged

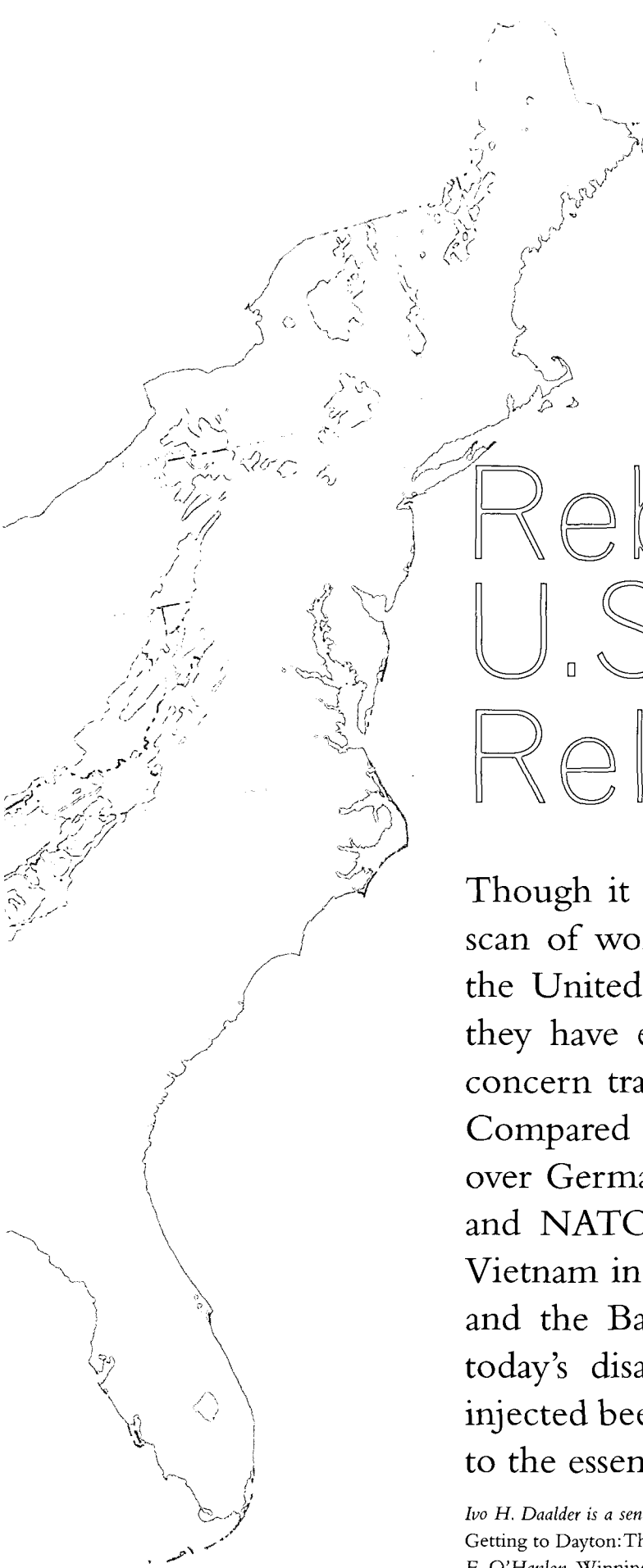


not be as readily forthcoming should the Japanese government conclude it has not had a voice in shaping policy.

One area of particular concern will be Japan's regional economic role. As part of the general drift in attitudes away from the close embrace of the United States, the Japanese government has periodically toyed with the idea of closer ties with other parts of Asia as an alternative. For Japan to be more active

Japanese government in Asia-Pacific Economic Cooperation and other regional forums, the administration needs to guard against the "Asia versus United States" tendency in policies pursued by the Japanese government. Here as in other realms, the United States will face the difficult challenge of encouraging Japan to do "more"—without any assurance that the two countries will agree on how "more" should be defined. ■

STEVE MCCRACKEN

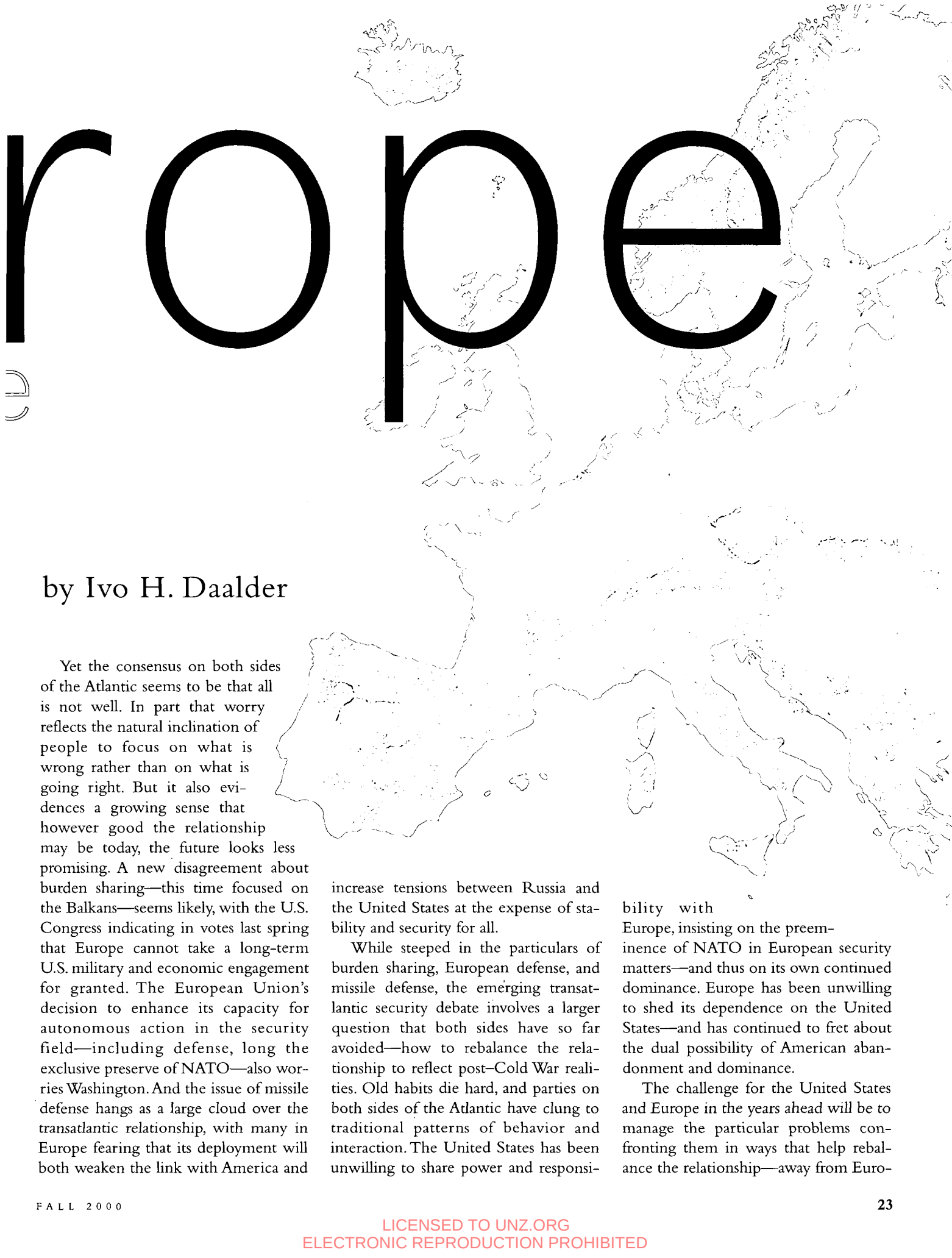


EU

Rebalancing the U.S.-European Relationship

Though it may not seem obvious from a quick scan of world press headlines, relations between the United States and Europe are as healthy as they have ever been. The main disputes mostly concern trade—and are relatively minor at that. Compared with the dustups across the Atlantic over Germany in the 1950s, host nation support and NATO strategy in the 1960s, détente and Vietnam in the 1970s, Euromissiles in the 1980s, and the Balkans in the first half of the 1990s, today's disagreements over bananas, hormone-injected beef, and airplane hush kits are testament to the essential strength of the relationship.

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Europe

by Ivo H. Daalder

Yet the consensus on both sides of the Atlantic seems to be that all is not well. In part that worry reflects the natural inclination of people to focus on what is wrong rather than on what is going right. But it also evidences a growing sense that however good the relationship may be today, the future looks less promising. A new disagreement about burden sharing—this time focused on the Balkans—seems likely, with the U.S. Congress indicating in votes last spring that Europe cannot take a long-term U.S. military and economic engagement for granted. The European Union's decision to enhance its capacity for autonomous action in the security field—including defense, long the exclusive preserve of NATO—also worries Washington. And the issue of missile defense hangs as a large cloud over the transatlantic relationship, with many in Europe fearing that its deployment will both weaken the link with America and

increase tensions between Russia and the United States at the expense of stability and security for all.

While steeped in the particulars of burden sharing, European defense, and missile defense, the emerging transatlantic security debate involves a larger question that both sides have so far avoided—how to rebalance the relationship to reflect post-Cold War realities. Old habits die hard, and parties on both sides of the Atlantic have clung to traditional patterns of behavior and interaction. The United States has been unwilling to share power and responsi-

bility with Europe, insisting on the preeminence of NATO in European security matters—and thus on its own continued dominance. Europe has been unwilling to shed its dependence on the United States—and has continued to fret about the dual possibility of American abandonment and dominance.

The challenge for the United States and Europe in the years ahead will be to manage the particular problems confronting them in ways that help rebalance the relationship—away from Euro-

pean dependence and American dominance toward a more nearly equal partnership. Meeting that challenge will not be easy. For Europe, it requires devoting greater resources and broadening its strategic vision. For America, it means sharing not just burdens, but power, responsibility, and authority. But as the second post-Cold War decade opens, it is becoming increasingly clear that doing anything less will erode the foundation of the very alliance both sides of the Atlantic are dedicated to preserving.

A Healthy Relationship . . .

At the Cold War's end, western triumphalism mixed with gloom over the future of the U.S.-European relationship. An alliance founded on opposition to a common threat surely could not survive the disappearance of that threat, or so many argued. A uniting Europe would increasingly seek to distance itself from an America that would revert to paying attention to matters at home rather than abroad. The break in relations would not be sudden, but the alliance would surely atrophy over time and ultimately wither into oblivion.

Yet the alliance not only survived, but successfully transformed itself into an instrument promoting security throughout Europe. Although NATO's collective defense mission remains a central purpose, the alliance's primary function today—codified at its 50th anniversary summit in April 1999—is to extend to other parts of Europe the security and stability its members have long enjoyed. The alliance pursues the new mission in two principal ways. First, it has opened its doors to new members and, through the Partnership for Peace, it helps nonmember countries make the reforms necessary for joining NATO. This process should proceed. Second, NATO stands willing and ready to use its military capability to strengthen security and stability in Europe wherever threatened, as exemplified by its intervention and continued presence in the Balkans.

In contrast to the sharp transatlantic disagreements over Balkan policy in the early 1990s, the United States and Europe have also settled on an agreed,

joint strategy for the region. Washington takes the lead in the initial stages of any intervention. Military action comes under the auspices of NATO rather than the United Nations. And, over the long term, Europe shoulders the lion's share of burdens associated with engagement—in terms of both troops and financial and other resources needed for recovery. Ultimately, all agree that stability for the Balkans requires its integration in the European political and economic mainstream, including eventual membership in the European Union.

Despite earlier disagreements over NATO's future, the Balkans, and other big security issues, today the U.S.-European relationship is robust. Differences that remain—over bananas, the death penalty, child custody cases—are not fundamental differences of interest. Because they involve how we live and what we eat, disputes over these issues can get heated. But family feuds, often nasty and sometimes brutish, are almost always short. They are a function as much of the closeness of the relationship as of the import of the issues involved. That German chancellors and American presidents have the time—the luxury really—to spend part of their bilateral meetings talking about a few child custody cases is proof that at the turn of the century, their relationship is strong.

. . . But Can It Last?

Good U.S.-European relations will not, however, continue automatically. Worries about the static nature of the alliance—characterized by continued U.S. dominance and European dependence, at least in the security area—in the face of fundamental world change are calling into question how long the current steady state of affairs can last.

Indeed, the three security issues facing the alliance today—burden sharing in the Balkans, European defense, and missile defense—are manifestations of the larger problem of having to define the future of the relationship. The way these issues are addressed and ultimately resolved will be important for determining how U.S.-European relations will evolve.

Balkan Burden Sharing

On Capitol Hill the sense is growing that Europe is not doing its fair share in the Balkans. U.S. lawmakers complain that Europe has failed to take over the peacekeeping operations in Bosnia and Kosovo, that it provides inadequate economic aid, and that it does not field enough police to maintain public order in Kosovo, a task that still largely falls to U.S. and NATO combat troops. Underlying this litany of complaints is the conviction that the Balkans is really Europe's problem—and that the United States could withdraw if only Europe would do its fair share.

But Europe is pulling its weight in the Balkans. It deploys nearly 70 percent of the troops in both Kosovo and Bosnia (compared to a U.S. share of 13 percent and 22 percent, respectively). It has spent three times as much as the United States for economic reconstruction and humanitarian assistance in the Balkans during the past decade. And the European share is growing—as, of course, it should be. But the United States also has an interest in remaining engaged in the region—including by fielding troops. Organized violence and war of the kind witnessed in the Balkans during much of the 1990s threaten stability throughout southeastern Europe and beyond. If a small U.S. presence helps stabilize the situation, the price is well worth paying.

European Defense

In recent years, defense has become a major preoccupation of the European Union. Spurred by London's decision to reverse its longtime opposition to an EU defense role, the EU countries are now committed to improving their armed forces. By 2003 they plan to be able collectively to deploy a military force of 50,000-60,000 troops within two months for up to one year on a variety of operations, from humanitarian relief to crisis management and peace enforcement.

Europe's new defense commitment has two sources. One is the desire to make Europe's common security and foreign policy more credible by backing joint action with real military capability.



The second is increasing weariness in some European circles—notably in London—about the direction of U.S. policy. There is a sense that the U.S. political climate (as in the debate over burden sharing) is making Washington a less reliable partner, especially when U.S. interests are only marginally involved.

As usual, Washington's initial reaction to Europe's new defense commitment was to welcome the new contribution to the common defense, while fretting that a more capable Europe would be less likely to follow the U.S. lead in security matters. Although clever word-smiths on both sides of the Atlantic have found language for NATO and EU communiqués to reassure each other of the beneficent aims and impact of the EU's move into defense, unease persists in Washington. The main concern is that an enhanced European defense capacity will come at the expense of NATO—where the United States continues to dominate deliberations.

Washington's worry that a stronger European defense capacity would work against U.S. interests is misplaced. In today's security environment, the prob-

lem is not European strength, but European weakness. It is this that prompts the frequent calls on Capitol Hill and elsewhere to shed the burden of continued security and defense aid to Europe. That call to retreat from Europe must be resisted—and one way to do so is to make sure that Europe improves its defense capabilities in the manner and by the time it has promised.

Missile Defense

The prospect of a U.S. decision to develop a limited system to defend against new missile threats from states like North Korea, Iran, and Iraq has unsettled officials in key European capitals. The main concerns are two. Europe's foremost worry is that Russia will resist U.S. entreaties to amend the Anti-Ballistic Missile Treaty to allow for a limited missile defense deployment and that Washington would go ahead even if it meant withdrawing from a treaty long regarded as the basis of arms control and strategic stability. A second concern is the consequences of a missile shield for European security. Some fear that a United States covered by an impregnable

missile defense shield will turn inward. Others worry that U.S. and European approaches to North Korea, Iran, and Iraq will further diverge, with the United States becoming more assertive and Europe trying to distance itself even further from U.S. policy to avoid bearing the brunt of any missile retaliation.

These European concerns must be addressed by those who would commit the United States to deploying a missile defense. Achieving a deal with Russia on modifying the ABM Treaty would ease many of Europe's more immediate political concerns. Deploying a defense shield that covers not just the United States, but allied territory as well, would ease Europe's fear of the strategic consequences. Of course, the cost of enlarging the shield would have to be borne by Europe (and thus compete with the need to improve European military forces), but the desirability of doing so is clear in the evolving strategic context.

Toward a New Balance

A decade after the Cold War's end, the time has come to move away from American dominance and European dependence toward a genuine strategic partnership. Such a partnership would serve both sides equally well. More issues unite than divide the two. The worst bilateral relationship of the United States with a European ally (the one with France) is far better than its bilateral relationship with most other countries. Both sides of the Atlantic share a commitment to market democracy and to the underlying values that have given rise to it over centuries. Both hold key economic and strategic interests in common (even if they often differ on how best to protect or advance them). And cooperation between the two is necessary (and in many cases sufficient) to address many of the most important global issues. But the relationship between the two sides of the Atlantic needs to be updated to reflect these realities—by a Europe more able and willing to take on the tasks of promoting common security and by a United States more willing to share in the responsibility for and leadership of any such effort. ■

No Way out

**The
Essential U.S.
Role in the
Middle
East**

by Philip H. Gordon

In a paradox befitting one of the world's most complex regions, the Middle East entered the new millennium closer to peace—but also closer to possible conflict—than it has been for some time. Seven years after the Oslo peace process began, Israelis and Palestinians have finally begun to broach the most difficult issues that divide them. Even after the failure of their peace talks at Camp David last July, the two sides are closer to a final peace settlement than they have ever been before, and both sides remain committed to pursuing their intensive and unprecedented efforts to reach a comprehensive deal. On the Syrian front, Israel's unconditional withdrawal from Lebanon last May ended more than 20 years of constant conflict, and the first peace talks with Damascus in more than four years held out hopes for the eventual conclusion of treaties that would finally end Israel's state of war with both its northern neighbors. In Jordan and Morocco, successful leadership transitions after the death of popular monarchs demonstrated

that transfers of power in the Arab world—such as the Syrian one that observers are watching nervously—need not produce upheaval. And in Iran, the leadership pursued its new strategy of cooperating with the Arab Gulf states rather than destabilizing them, and a convincing electoral victory for moderates showed a genuine public desire for liberalization and change.

In the Middle East, however, nothing is simple, and some of the very developments that moved the region toward peace also heightened the risk of turmoil or even war. The progress in the Israeli-Palestinian talks inspires new hopes but also introduces new risks. By finally confronting the most intractable problems, neither side can maintain the illusion that it will eventually get all it wants; the endgame, even if successful, will bitterly disappoint radicals on both sides. Israel's withdrawal from Lebanon, because it came without a peace deal with either Lebanon or Syria, increases the chances of conflict with Syria, which is now under new and uncertain leadership and which Israel says it will hold responsible for whatever happens on its now unshielded northern border. And even the successes of the long-sought-after moderates in Iran were not unqualified—the very success of the liberal camp brings with it risk of a backlash, as the clerics and other

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hard-liners see the results of their revolution, not to mention their positions of power, threatened. Add to all this the fact that Iraq's brutal dictator Saddam Hussein remains in place—and United Nations weapons inspectors do not—and that the oil wealth of the gulf monarchies has still not produced any modern, stable regimes, and it is easy to see how this region—potentially closer to peace than it has been for many decades—could just as easily explode.

The stakes in the Middle East for the next U.S. president are thus very high. With the right combination of engagement, subtle diplomacy, commitment of resources, and luck, he could preside over a landmark settlement of the Israeli-Palestinian conflict, the signing of two more Israeli peace treaties (with Lebanon and Syria), the development of a new relationship with Iran, and the downfall of Saddam Hussein. But failure to engage sufficiently and appropriately could lead to renewed upheaval in a region that—because of its energy reserves, proximity to key allies, and potential weapons of mass destruction—remains critical to U.S. national security interests.

Israel and the Palestinians

The failure of the Camp David peace talks in July seemed to signal the end—or even the futility—of the Arab-Israeli peace

process. If Israel's most celebrated military officer (Ehud Barak) and the Palestinians' historic leader (Yasser Arafat)—pressed on by a tireless U.S. president in search of a peace legacy (Bill Clinton)—could not produce a deal, maybe a deal cannot be produced. Viewed differently, however, Camp David showed not that an Israeli-Palestinian peace deal is impossible, but rather how commitment and creative diplomacy could bring the parties closer than ever before to agreements on issues that their negotiators had never previously had the courage to address. President Clinton and his team may not have been able to get the parties across the finish line, but the U.S. role remains essential: to forestall provocative actions (or reactions) that could lead to violence while keeping the pressure on the parties to take risks for a peace that would manifestly be in both sides' interest.

Even as Israelis and Palestinians continue to claim bottom-line negotiating positions that would seem incompatible, it does not take a great leap of imagination to envisage workable compromises on even the thorniest of issues; some were broached at Camp David. On territory, neither side will get what it wants, but by annexing just 10 percent of the West Bank, Israel could incorporate 80 percent of its 170,000 settlers into its own territory, leaving 90 percent of the West Bank for a new Palestinian state. On Palestinian refugees—now numbering more than 3 million in the region—no one seriously expects a deal permitting an unlimited “right of return,” but generous compensation and new opportunities in Palestine could alleviate some of the problem. Water will remain a tricky issue for the entire region, but new desalination technologies and an agreement on better conservation and sharing could make the issue manageable. Even with a peace with Jordan, Israel will always worry about its security to the east, but a deal to lease part of the Jordan valley to provide for an Israeli troop presence could simultaneously reassure Palestinians on the issues of sovereignty and territory and provide the new state with badly needed income. Even on Jerusalem, the most intractable issue of all, it is possible to imagine creative formulas that would allow Israel to claim the city as its undivided capital while giving Palestinians some form of sovereignty over Muslim holy sites and administrative authority over the parts of the city where they live—enough to legitimately claim also to have their capital there.

On all these issues, the Barak government—wisely supported and encouraged by the United States—has shown considerable imagination and courage. Unlike much of his opposition back home, Barak knows that offering the Palestinians too little territory, too little compensation for refugees, too little water, and nothing in Jerusalem will not result in a “good deal” at the table, but in permanent Palestinian dissatisfaction, the unilateral declaration of a Palestinian state, and heightened risk of renewed conflict. Now, Arafat and his team must do more to prepare Palestinians and Arabs elsewhere for inevitable compromise, as even the most generous offer any Israeli government could be expected to make at the table and sell at home will still leave Palestinians several slices short of the full loaf they set their sights on. The United States can fur-

ther help not only by offering Arafat recognition, money, and political support in the context of a peace deal, but by using its influence with other Arab governments to give Arafat the cover he needs to compromise.

Israel, Syria, and Lebanon

Israel's unilateral withdrawal from Lebanon last May was a triumph for most Lebanese and a relief for most Israelis, but without a Syrian deal it is also something of a leap into the dark. Syria's greatest leverage with Israel was Israel's costly presence in Lebanon, where more than 1,000 of its soldiers have been killed. That leverage now gone, Damascus—which still wields power in Lebanon through the 35,000 troops it has deployed there—may have reason to look for other ways to make Israel's northern border unstable and unsafe. To do so it could encourage the Shi'a resistance movement Hizbollah, now the main force in southern Lebanon, or radical Palestinians from among the 350,000 Palestinian refugees there, to recommence Katyusha rocket or terrorist attacks against northern Israeli villages, now within easy striking distance.

So far the border has been calm, and Syria's new leader, Bashar al-Assad, would seem to have little incentive to provoke Israel as he seeks to consolidate his power at home. Lacking the political credibility of his father, however, the younger Assad is also in no position to cut a deal with Israel, which makes a revival of the Syrian track unlikely during Bill Clinton's presidency—a bitter disappointment for an administration that has invested so much in it. The administration will thus probably spend its final few months doing what it can (not much) to help establish the British-educated Bashar as a legitimate leader and hoping that he will be a modernizer who will see the economic benefits of peace. The United States should also push for Hizbollah's disarmament and Syrian withdrawal now that Israeli forces have departed. Over the longer run, the United States—whether Clinton or his successor—should stand ready to take the lead in brokering a peace when the parties finally come back to the table, as eventually they will be obliged to do. When that happens, the United States should also be prepared to do its part—military aid for Israel, a possible peacekeeping presence on the Golan; and eventual aid and investment for Syria. Given the benefits of a peace treaty between Israel and one of its most implacable enemies—and compared with the risks involved in the absence of a settlement—such measures would easily be worth their cost.

Change in Iran...

With the overwhelming victory of reformers in Iran's parliamentary election last February, it is no longer possible to question whether Iran is really changing (as many have done for years), but only to ask how much it will change and what the eventual consequences will be. The signs of a desire for domestic reform in Iran over the past several years are unmistakable: the 1997 election of a moderate president (Mohammed Khatami) against two more conservative candidates; the flourishing of political movements and outbreak of street protests in favor of greater freedom of expression; the

declining role of clerics and Islamic ideology in the parliamentary election campaign; and finally the landslide legislative victory for moderates and proponents of change.

Not all the news from Iran is good. The conservative clerics—who still control the judiciary, the security and intelligence services, and the state broadcasting system—have already begun a set of rearguard actions, including violence, arrests, censorship, and even political assassinations, against the moderates. The arrest and conviction of a group of Iranian Jews on dubious spying charges and the closure of nearly two dozen newspapers are but the most recent examples of abuse by the Iranian theocracy of its still considerable power. But the overall trend is positive, and the conservatives' backs look to be against the wall.

Even Iran's foreign policy is showing signs of change. Tehran still opposes the Middle East peace process, has yet to make clear how Israel's withdrawal from Lebanon will affect its support for Hizbollah, opposes direct talks with the United States, and maintains its long-range missile and probably nuclear programs. But it has also moved far away from the revolutionary aims that marked the Islamic Republic's first 20 years. Iran no longer foments Shi'a rebellion among the Arab Gulf states and has even reestablished good relations with most of them; it has finally announced that it will not carry out the fatwah against author Salman Rushdie; and while it has not abandoned its opposition to the Middle East peace process, it has agreed to live with any deal that proves acceptable to the Palestinians.

The United States should continue to encourage change in Iran. Secretary of State Albright's June 1998 and March 2000 speeches outlining a U.S. hope for better relations and a limited lifting of some economic sanctions were useful small steps. Future steps—depending on whether and how Iran's actions change—could include letting the Iran-Libya Sanctions Act lapse in 2001 without renewal; concluding agreements on outstanding issues like frozen assets; lifting unilateral U.S. economic sanctions; and even, ultimately, supporting energy pipelines through Iran. Most of these measures are beyond what the U.S. political traffic will now bear—and beyond what Iran's actions merit—but further political change in Iran and progress in the Middle East peace process (limiting the scope for Iranian sponsorship of terrorism or meddling) could make them realistic far more quickly than many expect.

...and Stagnation in Iraq

If only one could say the same about Iraq. Ten years after the defeat in the Gulf War that many thought would lead to his downfall, Saddam Hussein is now poised to outlast yet another U.S. president. The Iraqi people are suffering under brutal repression and crippling international sanctions, yet Saddam shows no sign of willingness to accept the demands of the international community and comply with the post-Gulf War UN Security Council resolutions on weapons of mass destruction. Indeed, Iraq continues to bar weapons inspectors from the country, despite the passage last year of a new UN resolution that would suspend sanctions in exchange for

renewed inspections. Saddam prefers to use the increased suffering of his people as leverage in his quest to get sanctions lifted without having to allow the inspectors back in.

On Iraq the options for the next U.S. president are not good. One approach, promoted by many in Congress and some in the Republican presidential campaign, would be to seek more aggressively to topple Saddam: using heavy military force to respond to his provocations, promoting the detachment of the southern part of his territory as has effectively been done in the Kurdish north, and providing more funding and training for the Iraqi opposition. This approach might well increase the chances of ousting Saddam (though not by much), but it would find little support in the region or among European allies. Even if successful, it would risk breaking Iraq up into a sort of Afghanistan, hardly an encouraging prospect; if unsuccessful, thousands of Saddam's opponents would lose their lives while the U.S. standing in the region and the world would suffer a serious blow. At the other end of the spectrum would be a softer approach, promoted by many Europeans and some in the Arab world, consisting of lifting sanctions on humanitarian grounds even without strong guarantees on weapons of mass destruction. This approach, too, is highly problematic: because there is no reason to believe Saddam would treat the Iraqi people better even in the absence of international sanctions (most evidence is to the contrary), the result could be renewed Iraqi weapons programs without any improvement in the humanitarian situation. This leaves the highly unsatisfactory, but better-than-the-alternatives status quo—containing Iraq militarily while providing as much humanitarian assistance as Iraq will allow (or at least what it cannot prevent). Augmented both by more “carrot” (a clear message that economic sanctions would indeed be lifted if Iraq complies with UN weapons resolutions and treats its people better, or if Saddam Hussein is overthrown) and more “stick” (a more serious campaign to undermine the Iraqi leader through attempts to foment a coup if Iraq does not comply or if it takes provocative actions), this approach may be the best of several very bad alternatives for the next president, barring unforeseeable changes in the regional situation.

On the Road Together

The Middle East may be on the road to peace and it may be on the road to war, but one conclusion is unmistakable: the United States will be on the road with it. The hope expressed by the Israeli government in 1999–2000 that the United States could step back from the peace process and let the parties make progress themselves turned out to be a mirage—without the American role as an honest broker the parties will neither reach nor stick to agreements. The same is true, perhaps even more so, on the Syrian track: the parties may not reach agreement anyway, but without U.S. encouragement, aid, threats, cajoling, and risktaking, they are certain not to. And the need for an active U.S. role in the Gulf is even more manifest: standing ready to pursue new relations with a changing Iran and maintaining its determination to contain a threatening Iraq should be high-priority goals for the next U.S. president. ■

India

Old Issues and New Opportunities

By Stephen P. Cohen

After a decade of drift and uncertainty, India is undergoing rapid and generally positive change and is taking its expected place as one of the three major states of Asia. Its economy is less advanced than that of Japan or China, and its billion people do not match their standard of living, but its economy has taken great strides. India has become a nuclear weapons state, and it has been able to maintain its pluralist, secular democracy.

Henceforth, India will demand much greater American attention. Until a few years ago, U.S. policy toward India focused primarily on the latter's nuclear program. Since then, the dialogue with New Delhi has broadened, and President Clinton's visit to India last March set forth a comprehensive agenda for cooperation between the two states. While the new administration must remain vigilant about India's well-publicized problems—the conflict with Pakistan over Kashmir, a regional nuclear arms race, and serious human rights abuses—it must also take advantage of the new economic and strategic opportunities that India offers.

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India as an Emergent Power

For many years, Americans have seen India as a giant but inept state. Press coverage has tended to emphasize its sluggish economy, its highly discriminatory caste system, and the violence suffered by women and religious minorities. Some observers have wondered whether such a diverse country can manage its own affairs, let alone play a role in Asia and the world.

That negative image is now obsolete. While India is far more populous and diverse than North America and Europe combined, its pluralist, secular democracy has achieved unremarked but quite remarkable success. Weaknesses, such as low literacy and caste discrimination, are being addressed more effectively than ever before, and the increasingly decentralized democratic system has allowed the rise of hitherto deprived castes and ethnic communities. Caste and religious violence remain, but often as the manifestation of a profound social revolution, one analogous to the American civil rights movement, but on a vaster scale.

The liberalization of India's economy, begun in 1992, is now gathering steam, and the annual growth rate is expected to continue at more than 6 percent. Indian annual exports now total more than \$30 billion. In some sectors, such as advanced computer and software development, Indians boast world-class

skills, as is evident from the new class of Indian "dot com" millionaires, many with close ties to the United States.

For years, the only substantial economic component of U.S.-Indian relations was American aid programs. But economic bonds are strengthening. Normal, two-way trade doubled to some \$14 billion annually between 1992 and 1998. America is India's largest investor, providing \$2.3 billion of India's \$12.6 billion of foreign direct investment between 1991 and 1999. India now ships more exports, especially software and other high-tech goods, to the United States than to any other country, and total Indian exports to America crossed the \$9 billion mark last year.

India's location should also attract U.S. interest. On the sidelines during the Cold War, India has regained some of the strategic importance it had under the British Raj. It is adjacent to the Middle East and Central Asia—two vital sources of energy—and its Andaman Islands are only 90 miles from Indonesia, making New Delhi a player in Southeast Asia. India has a modest capacity to project military power. It will soon have a two-carrier navy and is developing a nuclear-armed missile capable of reaching all of Asia.

Since World War II, relations between India and the United States have been rocky, except for a brief period of coop-



eration after the 1962 India-China war. Like the French, Indians value highly their civilization and culture and find alliances uncomfortable. Washington and New Delhi continue to differ on such issues as coping with a struggling (but nuclear-armed) Pakistan and stopping the spread of nuclear weapons and missiles. Relations between the two will always be prickly, but they share important interests. Both are essentially status quo powers. They have complementary economies and an interest in expanding trade contacts; both seek to avoid or limit war in South Asia; and both are wary of China's growing power. What's more, a million-plus Indian-American community increasingly serves as a bridge between the two states.

A New Economic Relationship

A new administration in Washington should look for ways to expand economic contacts. It should, for example, consider negotiating a phased free-trade zone between the two countries—despite problems posed by Indian child labor violations. Together with India's active membership in the World Trade Organization, a free-trade zone would speed liberalization of the Indian economy, spur economic development, and give U.S. firms better access to the Indian market. India needs to expand its energy resources and make massive investments in its transportation and communications infrastructure to serve its growing middle class, now estimated at 300 million. American firms are well placed to assist India in these sectors, and India has goods and services that it wants to sell to the United States. A more liberal trading arrangement would facilitate trade and investment between the two.

Reviving a Strategic Tie

America's strategic and military relationship with India (and Pakistan) must also be reevaluated. Since 1965 the United States has had no significant military ties with New Delhi. The United States has been dismissive of Indian military power, and India has regarded America as an unreliable supplier of military equipment. Restored and even expanded military exchange programs

could improve understanding between the two security communities.

India, along with other South Asian states, has been a stalwart contributor to UN peacekeeping operations, but it lacks air and sealift capabilities. The Indian and American strategic establishments need to address circumstances under which they might cooperate in helping to stabilize war-torn or fragmenting states in Africa and elsewhere and to discuss the interoperability of military units from various countries.

The Indian military is interested in the new technologies that have reshaped the face of conventional warfare. But Washington should be cautious about renewing conventional military sales to India (or Pakistan). Their conventional military balance, now in India's favor, is linked to their nuclear balance. Hostilities between the two in the Kargil region of Kashmir in June 1999 raised fears that Pakistan might use tactical nuclear weapons. Before undertaking any significant arms sales to South Asia or assisting India's defense production establishment, the United States must determine whether selling particular weapons would help stabilize, or make worse, the region's nuclear balance of terror.

Security ties cannot be expanded as long as U.S. military sanctions, imposed after India and Pakistan carried out nuclear weapons tests in 1998, remain in place. Intended to keep India and Pakistan from developing nuclear weapons, the sanctions have clearly failed. The 1998 nuclear tests ratcheted up immeasurably the danger in the two countries' long and bitter dispute over Kashmir. Both states regard possessing nuclear weapons as vital to security and important to prestige. They are highly unlikely to reduce, much less eliminate, their small nuclear stockpiles.

It is therefore unrealistic to try to do away with those nuclear weapons. A more feasible goal is to ensure that their use remains unlikely and that nuclear and missile technology is not transferred to other states. The present punitive sanctions-led policy must give way to a grand bargain that emphasizes political incentives and mutual security. As part of that bargain, India and Pakistan might

agree to limit the numbers of nuclear weapons that they build, develop better command-and-control systems to guard against accidental launch, and work closely with the United States and international agencies to keep their nuclear and missile technologies from leaking to other states. These steps would bring the two states into alignment with many essential provisions of the Non-Proliferation Treaty.

For its part, Washington should be prepared to provide early warning devices and intelligence information to help prevent accidental war, both by sharing satellite data and by bringing India and Pakistan into a larger arrangement to detect and warn against missile launches. America should also support Indian and Pakistani membership in international regimes designed to contain the spread of missiles, fissile material, and nuclear technology. Once progress is made on stabilizing their nuclear arms race, America should be willing to change some of its own laws and assist civilian nuclear energy programs that are under adequate international safeguards. Finally, Washington should explore the possibility of selling defensive anti-missile technologies to India (or Pakistan) in exchange for their limiting deployment of offensive systems.

Sustaining the Relationship

When President Clinton visited New Delhi last March, he and India's prime minister, Atal Behari Vajpayee, signed an ambitious "Vision Statement" charting regular summit meetings and high-level consultations between officials of both governments. Prime Minister Vajpayee reciprocated with a successful visit to Washington in September. Given India's past reluctance to engage America—except as a critic—these dialogues will help reduce suspicion of the United States in Delhi. They will also acquaint American officials with Delhi's unique world view, revealing significant areas of overlap with Delhi (on issues of democratization, economic liberalization, and countering terrorism), some areas of disagreement (India was upset at U.S. intervention in Kosovo), and a large zone of uncertainty, especially on how

the world must deal with a rising China.

India's relationship with China has a complicated history—one in which the United States played an important role. During India and China's 1962 war (over what is still the world's longest disputed border), Washington and London supported India's position, leading China to regard New Delhi as part of the West's strategy to contain it. In response, Beijing provided considerable military assistance to Pakistan.

Despite significant Sino-American differences, U.S.-China relations today are much improved. Washington may be able to play a marginal role in easing suspicions on both sides of the still-disputed border. Indeed, all three states now have shared economic interests and a common strategic interest in ensuring that Pakistan does not become an extremist Islamic state.

Kashmir and Pakistan

India's emergence as a major power has been hamstrung by its long and bitter dispute with Pakistan over the former princely state of Jammu and Kashmir. Both India and Pakistan claim Kashmir. For both it has deep ideological, emotional, and strategic significance.

The United States made several efforts to resolve the dispute, most recently during the Kennedy administration. For several years, the dispute appeared to be fading away, but after an anti-Indian uprising in Indian-administered Kashmir in 1989 and the nuclear tests of 1998, the Kashmir dispute helped make South Asia (in President Clinton's phrase) "the most dangerous place on earth."

Washington should find a role for itself in the Kashmir dispute somewhere between doing nothing and being an unwelcome intruder. While Pakistan would like America to intervene on its behalf, India officially rejects the idea of a mediator. Many influential Indians, however, feel that India is in an impossible situation in Kashmir. They understand that the dispute hurts India's reputation as a democracy and hinders its emergence as a major Asian power. Some Indians would welcome a low-profile and balanced U.S. effort to help

both countries find common ground.

Such a policy would not be unprecedented. Washington has been able to move several other bitter regional disputes closer to resolution. Northern Ireland and the Middle East are not exactly comparable to Kashmir, but elements of each, as well as other conflict-resolution efforts, might form a South Asia peace process. The guidelines for such a process can be set forth, although implementation will be difficult. First, the cooperation of both governments will be required, and because India opposes mediation, the role of outsiders will be limited to persuasion and encouragement. Second, the peace process should include several states; Japan, in particular, has a strong interest in preventing regional nuclear war, and because of its aid and investments in both countries, is quite influential. Third, the process should begin with small steps, avoiding grand declarations or high-profile publicity. Finally, no one should expect an immediate political payoff. The 50-year-old Kashmir dispute will not be resolved quickly or easily.

Washington should also use India's desire for a seat on the United Nations Security Council to encourage the peace process. By conditioning its support for India's place on the Security Council (one warranted by India's size and importance) on progress in resolving the dispute, the United States creates an incentive for India to work with Pakistan and other countries.

America and Pakistan

While India is emerging as a major Asian power, it is threatened by instability in its own region. American ties to India will always be shaped by the latter's relations with Pakistan. In the past, U.S. support for Pakistan embittered Indians, who believed that America was thereby trying to contain New Delhi. The danger to India today, however, may be Pakistan's weakness, not its strength. A failing Pakistan could imperil India by

increasing support for extremists and terrorists operating in India, by using force to seize territory in Kashmir, even by undertaking a last-minute, desperate nuclear strike against India.

Islamic Pakistan, soon to be the world's sixth most populous state and now a nuclear power, is plagued by declining literacy, a mismanaged economy, and the growth of radical Islamic groups. The October 1999 coup, by which General Pervez Musharraf overthrown Prime Minister Nawaz Sharif, promised reform in many areas—too many for even a great leader to accomplish, and General Musharraf is no Kemal Ataturk. Although Pakistan's fate is in the hands of its own citizens, the United States can make a marginal difference by offering concrete assistance to the country's moderate and democratic forces. Washington plowed billions of dollars of military assistance into Pakistan during the height of the Cold War (1953–63) and in the 1980s sold first-line aircraft and other equipment to Pakistan when the two countries joined to expel the Soviet Union from Afghanistan. Pakistan's current security problems stem from its internal

weaknesses, and the time has come for Washington to help shore up Pakistan's civic institutions, especially its trade unions, courts, universities, administrative services, and political parties. Encouraged by the next U.S. administration, American foundations, the National Endowment for Democracy, and nongovernmental organizations should join in a wider effort to make this "last chance" for Pakistan a success.

New Delhi should welcome these steps. In the long run India must live in peace with its troubled neighbor. During his stopover in Pakistan last March, President Clinton delivered a firm but optimistic message to Pakistan. It was well-received in India. The new administration should not neglect its dialogue with Pakistan, an important state in its own right, while moving forward with India. ■



DOING IT



RIGHT by Michael E. O'Hanlon

The Future of Humanitarian Intervention

Using military force to save lives is difficult, dangerous, rarely politically rewarding—and yet somehow here to stay. American presidents, UN Security Councils, and western publics will almost always want to do something when thousands or tens of thousands of innocent people are dying as a result of war. But dozens of civil wars are being waged around the world at any given time; demands being made on the U.S. armed forces already verge on being excessive; and conducting successful interventions is difficult. American policymakers must be judicious in deciding when and how to use force to save lives in conflicts that do not involve vital, strategic U.S. interests.

Each such decision requires answering three crucial questions. When and where should we intervene? How should we do so? And who should do the intervening? By answering these questions carefully—and by trying to develop more global capacity for conducting peace and humanitarian operations—the international community can significantly reduce violence around the world in the years ahead.

When and Where to Intervene?

Given the many conflicts in the world today, how can we possibly decide which ones to try to resolve by force? The answer is to focus on those where the

scale of death and suffering is greatest, where intervention is unlikely to create great-power conflicts, and where a mission can be designed that promises many lives saved at low cost to intervening soldiers.

But aren't civil and ethnic conflicts spinning out of control to the point that the problem is intractable? The short answer is no. Yahya Sadowski argued convincingly in a 1998 Brookings book that contrary to what doomsayers have been prophesying for years, the prevalence and intensity of civil conflict are not increasing as a result of the end of the Cold War, globalization, or anything else. Of the many civil wars around the world, most are not especially violent. Their per capita death rates, for example, are not notably worse than murder rates in U.S. cities. That is not to say we should ignore these conflicts—only that the blunt, dangerous, and expensive instrument of forcible military intervention should not be applied in most instances. As Steve Solarz and I have argued, the United States and like-minded countries cannot be expected to try to make the rest of the world safer than U.S. society.

In the 1990s, ten conflicts were extremely lethal: those in Sudan, Rwanda, Angola, Somalia, Burundi, Liberia, Iraq, Sierra Leone, Bosnia, and Chechnya. These should have been the prime candidates for humanitarian intervention, as should any future conflicts of comparable severity (Kosovo and Haiti were not on this list, but the Clinton administration's wise decisions to intervene in those places reflected the presence of strategic stakes alongside

humanitarian concerns). But it would not have been wise to intervene in all ten, which brings us to the second criterion for intervention—that a mission not risk major-power war costing far more lives than could possibly be saved. Notably, intervening in Chechnya was and is simply out of the question, given Russia's size and nuclear weapons capability. (In North Korea, where not war but severe repression and misgovernment, joined with starvation, caused at least hundreds of thousands of deaths last decade, intervention was also impractical given the North's ability to retaliate and cause at least tens of thousands of casualties in South Korea. Likewise, a hypothetical intervention in Kashmir would be unthinkable without the permission of India and Pakistan. And similar considerations rule out any forceful military mission to protect Tibet from Chinese oppression.)

What about the other nine terrible wars of the 1990s? How could outside powers have used force to save lives without making the problems worse than they already were and costing many lives of intervening troops in the process? That is probably the hardest question of all.

How to Intervene?

Simply deciding to intervene is not enough. Using force the wrong way can exacerbate some conflicts and get a lot of people, including U.S. troops, killed as well.

For this reason, it is often said that the United States needs an exit strategy before choosing to intervene. That is generally good advice—as long as the exit strategy is sound. Sometimes, how-

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ever, as in Kosovo, insisting on a precise itinerary of intervention and a concrete political end-state for the region before becoming involved would be counterproductive. We do not, and probably cannot, know in advance how long outside forces might be needed; setting arbitrary deadlines risks creating unrealistic expectations at home and undesirable doubts abroad as to our commitment. Trying to determine now whether Kosovo will remain part of Yugoslavia, become independent, or be divided into two parts would do more to reignite the Serb-Albanian conflict than to resolve it.

But at a minimum, the international community needs some sense of how it will apply military force before intervening. Should it simply do enough to feed starving people, should it create safe havens for individuals or groups at risk, should it impose a ceasefire line between warring parties—or might it even help one side to win a conflict?

It all depends. Where tens of thousands are at risk from war-related famine, disease, or exposure, simply setting up protected humanitarian zones may make sense. That is particularly the case when, as in Somalia in the early 1990s, the conflict that has produced the problem seems severe and intractable.

Imposing ceasefire lines, or even permanently partitioning countries into two or more parts, can work well in some ethnic conflicts. We need not always create multiethnic, inclusive societies; sometimes saving lives is accomplishment enough. The international community's long-term goal in Bosnia remains recreating a multiethnic state, but in the short term, at least, allowing separate entities with separate armies is sound policy and represents a huge improvement over the state of war that prevailed there five years ago. In Sudan, if the war-related famine again becomes severe, dividing the country into an Arab north and a Christian south may save the vast majority of threatened Sudanese lives at the lowest cost in dollars—and in the blood of intervening troops.

Finally, we should even be willing to take sides when one party to a conflict is clearly the better choice for its own country and when taking sides is likely

to end a conflict. For example, the Bush administration was right to overthrow Manuel Noriega in Panama, clearing the way for a democratically elected successor; the Clinton administration was right to threaten to depose the Cedras regime in Haiti to allow the Aristide regime to take charge. Had the global community been willing to step up its involvement in Rwanda in 1994, it would have been wisest to ally with the Tutsi-led Rwandan Patriotic Front against the Hutu-led armed forces that, in league with various militia groups, ultimately carried out that country's terrible genocide.

What about the future? The world's most severe wars today include those in Sierra Leone, Congo, Angola, Algeria, Colombia, and Sri Lanka. Intervention in the last three would pit outside forces against battle-toughened, dedicated, and rather large insurgencies fighting on terrain advantageous for guerrilla-like warfare. Those are the situations U.S. and other outside forces should generally avoid, since they are likely to inflict substantial casualties on intervening troops. But the other conflicts in Africa, particularly the brutal war in small Sierra Leone, may be easier to contain. Any intervention there should take the side of the government against Liberia-financed mercenary rebels. It has been no credit to the international community that it did not address this conflict seriously—instead hoping for the best while poorly armed peacekeepers interposed themselves in a civil war they were not able to contain. Things may be changing for the better, however, as of this writing.

The war in Angola involves larger indigenous fighting forces over a much wider area. The government—the lesser of two evils in this case—has recently been making inroads against the rebel forces of former U.S. client Jonas Savimbi. Were outside countries to try to stop this extremely bloody, long, and pointless war, they would be wise to side with the government and help it win a decisive victory. But it could take many thousands of international troops—and most likely dozens of fatalities to them—to do so. Finally, in the huge country of Congo, the global community should be

willing to deploy a force at least 10 times larger than the 5,500-person UN monitoring operation now proposed if a true ceasefire ever is accepted. The larger force would deploy along a ceasefire line running north-south through the center of the country, forcibly keeping hostile armies apart and denying sanctuary to the Hutu extremists who fled to Congo from Rwanda several years ago. But muscular interventions in wars like those in Angola and Congo will probably not happen until more countries develop the military capabilities for such operations—which brings us to the final question.

Who Should Intervene?

How much of the work in forcible humanitarian interventions should the United States be expected to do? It seems unreasonable—not to mention politically unsustainable—for U.S. troops to do most everything. Saving lives is not a uniquely American interest. And the United States, alone among the major western powers, already maintains high military vigilance in the Persian Gulf and the Korean peninsula.

Unfortunately, other countries in general have neither the forcible entry capabilities nor the sustainable logistics to intervene in distant lands to save lives. Australia has done most of the work in East Timor, and our European allies have provided the vast majority of troops in Bosnia and Kosovo, of late. But U.S. capabilities are generally needed, at least initially, in the face of armed opposition. And the United States will need to contribute troops to postwar missions in places like the Balkans if it wishes to influence their conduct.

Although the United States need not create a specialized armed force for peace operations, it should modify its military force structure to lessen the strain of various types of limited missions around the world. Primary U.S. military attention must remain focused on those parts of the world where our economic interests are greatest, allies are at risk, and dangerous military competition could break out if local parties are not reassured or deterred. That means a continued emphasis on Europe, the Persian Gulf, and East Asia. But some military units—



Among the major western European nations, the model for improving peace operations and forcible intervention capabilities is clear. In a word, it is Britain. Its military is smaller than that of France or Germany but much more useful beyond its own borders. It can deploy perhaps 50,000 combat troops, with air support, well beyond its territory within three to four months and sustain them there for months. Britain is also planning to acquire more sealift and airlift to move its forces fairly rapidly. Smaller European countries cannot use Britain as an exact model, of course, but they can scale their efforts to some extent proportionately or band together in subgroups, with each country developing certain specialties. Because the European Union cannot be expected in the near term to act as a single entity in matters of war and peace, the most realistic alternative is for several countries or subgroups of countries each to have the capacity for meaningful military action abroad on their own or as coalitions of the willing.

What of budget constraints? Most European countries do not need to spend more—they need to spend differently. Large force structures are no longer needed, as Britain has already recognized and as Germany appears to be concluding as well. By cutting troops and buying lift and mobile logistics, NATO European countries can do far more than they do now with the \$170 billion a year they spend on defense.

Were Germany and Japan to follow the above prescriptions, their neighbors might be highly agitated, worrying about their capacity for autonomous power projection. The simplest way to defuse—or at least contain—such concerns is to begin with modest military ambitions for those two cases. Deploying troops only under multilateral, and preferably UN, auspices would further reassure nervous neighbors.

What about non-Western countries? Expensive hardware such as airlift capabilities, helicopters, and fighter aircraft, especially in large numbers, will generally be beyond their means. It is more realistic to ask these countries to develop well-trained soldiers, proficient in basic combat and peacekeeping skills, and

equipped with serviceable small arms, body armor, vehicles for transport, and logistics and communications support for sustained operations abroad. Even if such countries cannot be expected to lead forcible interventions, they can provide valuable combat forces that enable peacekeeping missions to uphold cease-fires and peace accords under challenge. As the world witnessed in Angola in the early 1990s, some of the worst and most deadly conflicts erupt in countries where peace accords are reached, but later disintegrate. The breakdown of the Sierra Leone peace accord in 2000 that left many African troops held hostage is another reminder of the need for better-prepared peacekeeping troops, particularly from regions such as Africa, where conflicts are most common.

The United States and other western countries can do a great deal to help in this regard by providing modest sums—perhaps a couple hundred million dollars a year in all—for improved training, equipment, and other basic military needs. Programs like the African Crisis Response Initiative (ACRI), created by the Clinton administration, should not only be continued, but expanded dramatically. At present the ACRI funds only occasional training rotations for a few thousand regional troops, to the tune of about \$20 million annually.

Again, the focus should be on improving individual countries' military capacities, so that they can deploy as ad hoc coalitions, rather than depending on unanimous participation from all members of regional security groups to carry out missions. Regional institutions are useful for negotiating peace accords and politically legitimating interventions, but not for owning or maintaining actual military forces—at least not yet.

This agenda is not particularly demanding for the United States. It involves small changes in the U.S. armed forces, limited aid to certain poorer countries, and diplomatic efforts to promote the plan. But the actions outlined here can make a big difference in preparing the world to handle peace operations in war-ravaged lands like Angola and Congo—lands whose forsaken people are now being often forgotten. ■

including special forces with particular language and political skills, military police, and support units that provide water, food, and medical care—should be beefed up for peace operations. Some of these special units, many now in the reserve force structure because they do not require constant training and drilling to do their jobs in war, are being overused. Placing more of them in the active-duty force structure would allow them to be deployed without excessively disrupting the lives of reservists, many of whom do not expect such duty short of a national crisis. Some 10,000 to 20,000 specialized troops should be added—at a cost of about \$1 billion a year, less than half of 1 percent of the defense budget. That is not too high a price to pay.

Other countries have much more work to do. The European allies, Canada, and even Japan should improve their ability to move troops to distant combat zones. The United States should overcome its ambivalence about its allies strengthening their military capabilities and enthusiastically endorse most any steps they take toward greater military burdensharing.

REPLACING THE ROGUE Rhetoric

A New Label Opens the
Way to a Better Policy



by Meghan L. O'Sullivan

Last June the Clinton administration formally retired the label “rogue states,” which it had long used to describe Cuba, Iran, Iraq, Libya, and North Korea, and replaced it with the more innocuous “states of concern.” The change in rhetoric acknowledges the need to reevaluate current policy toward these states but stops short of formulating a new strategy. Among the challenges facing the next U.S. Congress and the new administration will be defining the parameters of a new approach.

Even while the concept of “rogue states” reigned supreme, no objective criteria defined the term. Former National Security Advisor Anthony Lake identified rogues as nations that “exhibit a chronic inability to engage constructively with the outside world.” Others described them as countries that sought to challenge international norms. Despite such amorphous characterizations, the common use of the term to describe Cuba, Iran, Iraq, Libya, and North Korea allowed observers to establish that they were countries associated with several undesirable behaviors—namely, the pursuit of weapons of mass destruction, support for terrorism, blatant disregard for human rights, and vocal animosity toward the United States.

With few exceptions, Washington’s approach to changing or curbing these behaviors was to isolate or punish the country in question with comprehensive sanctions, which were complemented by the use of other punitive tools. With Cuba, for example, the United States coupled unilateral sanctions with covert action to try to force Castro from power. More recently, Washington added secondary sanctions that mandate penalties against “traffickers” of expropriated U.S. property. In addition to unilateral sanc-

tions on Iran, Congress allocated money to overthrow the regime and legislated secondary sanctions on those who invest in the Iranian (as well as Libyan) energy sector. In the two cases of Iraq and Libya, the United States has not only sought to overthrow both regimes at one time or another, but also led successful efforts to impose some multilateral sanctions. In both Iraq and Libya, military force has also been an essential complement to economic coercion through sanctions. In the past decade, the main exception to this punitive pattern was North Korea, where despite maintaining harsh sanctions, the United States pursued limited engagement to reduce the nuclear threat on the peninsula.

A Poor Policy Record

The record of these punitive policies has been, for the most part, unimpressive. Although often exacting heavy costs in terms of lives lost and U.S. credibility jeopardized, covert action has failed to dislodge any of the targeted regimes. Qaddafi, Saddam, and Castro remain securely in power. Although presidential action has prevented any secondary sanctions from coming into effect against Europeans and others involved in Iran, Libya, and Cuba, the mere existence of the legislation has irked our allies and raised transatlantic tensions. The effect of military force is somewhat harder to assess. Although delivering benefits in terms of destroying weapons and military capabilities, the collateral costs of military force have often been substantial. In addition to the immediate human costs, the use of force in Iraq over the past several years has strained the multilateral coalition put in place after Iraq’s 1990 invasion of Kuwait. And some argue that the 1986 U.S. bombing of Tripoli spurred Libya to plot and execute the 1988 bombing of Pan Am 103.

Likewise, the efficacy of unilateral sanctions has been called into serious question. As a policy intended to exact punishment on the offending country, the results have been mixed. Although U.S. sanctions have levied some economic costs in all instances, the impact has often been mitigated by the willingness of other countries to maintain

commercial relations with the target country. For instance, the European approach toward Iran, which has involved maintaining contact with the Islamic Republic even while addressing political disputes, has undermined U.S. efforts to use economic pressure to force political change. Moreover, in many cases, the influence of American sanctions has been overwhelmed by factors beyond U.S. control, such as domestic economic management or global economic shocks. Unquestionably, dramatic fluctuations in the price of oil over the past decade have had much greater impact on countries like Iran and Libya than have American sanctions.

The punitive effect of sanctions has been more marked in the political realm. Extensive U.S. sanctions on military, economic, diplomatic, and cultural contacts have effectively isolated the target countries from the United States. In some circumstances, this “blacklisting” by America has translated into a wider international opprobrium, particularly where initial U.S. unilateral sanctions have galvanized more limited multilateral sanctions. Where rulers such as Libya’s Qaddafi envision themselves to be regional or global leaders, international ostracism can damage the interests of the regime.

So while unilateral sanctions can claim to have exacted some punitive costs, if the standard of success for sanctions involves changing the behavior of recalcitrant regimes, there is little cause for celebration. Iran, despite the recent electoral victories of apparent reformers, continues to support terrorism, oppose the Middle East peace process, and pursue weapons of mass destruction. Iraq continues to defy United Nations resolutions, preferring to bear tremendous economic losses rather than submit to weapons inspections and disarm. Although the Korean summit last June suggests the possibility of North-South rapprochement, Pyongyang continues to pursue weapons of mass destruction and remains a source of uncertainty and instability in the region. Similarly, Libya, while appearing to have moderated its support for terrorism and radical groups, still poses security ques-

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tions for the United States and its neighbors. And Fidel Castro's Cuba continues to deride the United States and flaunt international norms concerning human rights.

Stumbling Blocks to Better Policy

The realization that punitive measures—economic sanctions in particular—had not achieved their aims, or had done so only at extremely high costs, catalyzed the U.S. search for alternative strategies. Yet, policymakers struggling to offer more promising ways of dealing with the so-called rogues faced a major impediment: the concept of “rogue states” itself. The label was a pejorative designation, not an analytical one. It was therefore useful in fomenting domestic support for hard-line policies, but, by implying that these countries were beyond rehabilitation, it restricted policy options to punitive measures only. Other approaches that might serve American and global security interests by engaging the target country—rather than isolating it—were simply incompatible with the rogue framework.

That framework was also unable to accommodate important differences among states. Rather, it encouraged a standardized policy of isolation toward all, regardless of how different they might be in terms of regional ambitions, strategic capabilities, and domestic politics. The now-abandoned strategy of dual containment toward Iran and Iraq is only the most glaring example of this tendency. Moreover, the rogue paradigm failed to distinguish between a country's regime and its often reluctant citizens, thus precluding the United States from engaging nonstate actors. Finally, rogue rhetoric hampered U.S. efforts to gain multilateral support for its policies, as it was seen by Europeans and other allies to indicate an American preference for punitive approaches.

Replacing Rogue Rhetoric

Limited in its policy options and increasingly feeling the need for greater flexibility, the Clinton administration officially abandoned the rogue label. This welcome change could open the way to a more effective approach toward

problem countries, one whose approach is not “one size fits all” and whose goal is rehabilitation, not isolation.

Such a strategy would require critical changes in U.S. foreign policy, some of which are tentatively under way. First, policymakers would have to reconceptualize America's relationships with problem countries. Adopting the “states of concern” terminology is a useful beginning. A next, and more meaningful, step would be to classify certain behaviors—rather than particular regimes—as “rogue” or “demanding of concern.” This approach would signal that rehabilitation is possible for countries that abandon offensive actions, thereby offering them one powerful incentive for changing their behavior.

Sanctions policy must also change, with sanctions used less as rigid measures to exact punishment and more as a means of defining a bargaining framework between the United States and the country in question. Sanctions regimes, often viewed as monolithic structures to be lifted once a country complies with all U.S. demands, should instead be configured so that incremental improvements in behavior can be rewarded by the gradual easing of sanctions. For instance, if Libya were to give full cooperation to the ongoing trial of those suspected of bombing Pan Am 103, it could become a candidate for measured rehabilitation. The same principle would hold for a Cuba that provided greater political freedom for its people.

Certain reforms could make the use of sanctions more flexible and responsive. For example, all sanctions legislation passed by Congress should include executive waivers, to give the president flexibility to react to events that create important openings for American diplomacy. Congress can maintain its leverage in these circumstances by specifying that a joint resolution of Congress—signaling its overwhelming disapproval—would require the executive branch to reverse its actions. In addition, the placement of a country on the State Department's terrorism list should be divorced from the automatic penalties that now accompany that designation. The objective fact that a country is sup-

porting terrorism needs to be separated from the subjective judgment that imposing a predetermined spate of economic sanctions would improve the situation, rather than exacerbate it. Lastly, when policymakers first impose sanctions on a country, they should delineate an “exit strategy” charting the steps the state must take for sanctions to be removed. In short, the process of “desanctioning” should be as important as that of sanctioning.

Finally, policymakers must give much greater consideration to engagement, or the use of incentives, in dealing with problem countries. Engagement need not mean making unwarranted concessions to regimes that repeatedly flout international norms and pose risks to American security interests. Engagement—in the form of well-defined steps whereby verified changes in the behavior of a country are rewarded with incentives (including the lifting of sanctions)—could help moderate recalcitrant regimes by holding out the offer of rehabilitation, instead of continued incrimination.

While no policy tool will be universally applicable, initial moves toward limited engagement with North Korea suggest the value of this strategy in at least some situations. The 1994 Agreed Framework signed by North Korea and the United States set forth a series of choreographed steps designed to lead to the denuclearization of the North. Although not without its complications, the agreement offers the best prospect for a Korean peninsula free of nuclear weapons and has provided the backdrop to a possible thaw in relations between Pyongyang and its neighbors and the United States.

Simply abandoning the “rogue state” label in itself is not a fundamental policy change. But with the passing of the term went the presumption that Washington should use only punitive tools in dealing with countries with which it has substantial disagreements. Removing this obstacle to the pursuit of engagement opens the possibility of a dramatic departure in how the United States treats countries that have so far proved impervious to U.S. policies of punishment. ■

Trade Policy What Next?

The anti-globalization forces of Seattle who swept through Washington, D.C., last May may have caused only minor disruptions of the spring meetings of the International Monetary Fund and the World Bank, but they provided an apt symbol for the directionless condition of trade policy in the United States and elsewhere today.

by Robert E. Litan

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To be sure, there are some bright spots. In April, at long last, Congress voted to give duty-free status to apparel made in some of the world's poorest countries—Africa, the Caribbean, and Central America. In September, in one of the most closely watched votes of the year on any matter on Capitol Hill, the Senate joined the House in approving permanent normal trade status for China, paving the way for its unconditional acceptance into the World Trade Organization.

Yet the larger trade agenda remains in disarray. While Patrick Buchanan and Ralph Nader have outlined a clear vision of trade policy that would move the process backward, both Al Gore and George Bush have largely steered away from the issue. Meanwhile, much of the American public is ambivalent, if not hostile, to further liberalization. Not surprisingly, one hears little these days about a new administration seeking “fast track” negotiating authority to speed Senate consideration of new trade agreements.

In such a political climate, where should U.S. trade policy be headed after the next president takes office? Here are the pros and cons of three alternative paths, with a modest suggestion at the end.

Do Nothing

The best case for doing nothing rests on the view that the economic forces driving globalization—lower communica-

tions and transportation costs and the demand of consumers around the world for better and cheaper goods and services—are too strong to be stopped, especially given the rapid growth of global e-commerce. On this view, starting new trade negotiations now could be counterproductive, especially if the price of any deal is to allow trade sanctions against countries that fail to adopt and enforce certain minimum labor and environmental standards. In that event, poorer countries in particular could be stopped by advanced countries from using trade to improve their citizens' living standards, as many have done over the past several decades.

The advocates of a “do nothing” strategy are right to stress the importance of market forces in furthering globalization. But the risks of pursuing that course are great, especially for the United States, which has been the leading champion of trade liberalization since the end of World War II. If Washington doesn't continue to lead this cause, U.S. firms risk getting cut out of regional deals that give preferences to other countries—which, ironically, would only encourage U.S. companies to move abroad to take advantage of those preferences. Moreover, if there is no pressure to move forward on the trade front, demands to return to various forms of protection surely will mount over time and could easily triumph if our economy and others fall into recession.

The cyber-optimists of today should not forget that globalization was stopped dead in its tracks between World War I and World War II by a wave of protectionism. Policymakers, driven by popular passions or protests on the street, can always make the mistake again.

Incrementalism

A second strategy is to pursue incremental liberalization, either by subject matter, by country, or by region.

The subject matter approach would carry on the so-called “built-in” agenda from the Uruguay Round, the series of world trade negotiations that concluded in 1994 and was implemented in 1995, by seeking to accelerate the phase-out of remaining barriers to freer trade in agricultural products, textiles, and services. A main advantage of this option is that it seems unlikely to arouse the strong passions of all those opposed to globalization. Because it would concentrate only on sectors the world trading community has already targeted for further negotiations, it need not involve thorny issues like labor and environmental standards and other controversial topics such as antidumping policy and barriers to foreign investment. The drawback to pursuing this narrow agenda, however, is that it affords few opportunities for tradeoffs—potentially a major stumbling block because textile protection in the United States and agricultural subsidies in Europe are political third rails in

Support for further trade liberalization
prevent a backsliding toward greater protectionism
federal policymakers address world

their own right. Without the opportunity to build broader constituencies for a deal across many other sectors, negotiators may not be able to make much progress.

The other incremental strategy is to negotiate more bilateral or regional free trade areas (FTAs), like the ones the United States already has with Canada, Mexico, and Israel. That might be easier to accomplish politically, depending on the country seeking the FTA, than a textiles-agriculture-services deal.

But the NAFTA experience teaches that entering into FTAs with countries significantly poorer than the United States—such as India and other potentially willing partners in Latin America—arouses strong passions and claims (however bogus) that such deals will promote a race to the bottom in wages and labor and environmental standards. Even if bilateral deals are limited to a few sectoral issues, they run afoul of WTO requirements that FTAs be more comprehensive. Meanwhile, with the World Trade Organization under political pressure from foes of globalization, arranging bilateral trade agreements with richer countries—assuming any would be willing to try, a big “if”—could erode support for multilateral trade liberalization, which this country has long championed as a way to avoid fragmenting the world trading system. Poor nations would rightly see the rich countries as trying to raise the trade drawbridge, leaving them to fall further behind.

A Whole New Round

Precisely for this reason, the United States has devoted its main energies over the past five decades to liberalizing trade among many countries at the same time, first through the General Agreement on Tariffs and Trade (GATT) and, since 1995, through the WTO. The approach seems to have worked. Average tariffs worldwide have fallen to about 5 percent, and trade has grown roughly twice as fast as output. Having access to cheaper goods has benefited consumers worldwide. Indeed, estimates by the president's Council of Economic Advisers imply that since 1960, freer trade has raised the purchasing power of the average American at least \$1,000 every year.

But many barriers to trade remain standing. Tariffs on individual products—especially agricultural goods—in various countries are still high. And countries like Mexico and India, among others, increasingly are following the U.S. lead in using antidumping penalties to replace tariffs as a way to protect their local industries. Europeans don't want to import genetically modified foods—despite claims by U.S. authorities that they are safe—while insisting that the WTO put in place at least minimum international standards on competition policies—such as a prohibition on price-fixing and other cartel-like behavior—which U.S. antitrust authorities have resisted, fearing that U.S. standards could be watered down in the process. Meanwhile, the Clinton administration has insisted

that future trade deals in some fashion (not clearly specified) also lift standards in developing countries governing labor and

the environment, a course stoutly opposed by these countries, who fear that the issue is being pressed as a new disguise for preventing the importation of the goods they are now selling to the developed world. Then there is the built-in subject matter agenda—further liberalization in services, agriculture, and textiles—left over from the Uruguay Round.

In short, if the next president were willing to launch it, the next multilateral trade round could be fruitful. Lifting the remaining barriers to trade could generate hundreds of billions of dollars in extra purchasing power for consumers throughout the world (in fact, more than \$600 billion by 2010, according to simulations using a model developed by Warwick McKibbin of Brookings).

The main drawback to another large trade round, if the past is any guide, is that it could be a long, drawn-out affair, with no result likely in the first term of the next president. And the public, at least that in the developed world, does not appear ready for such an ambitious undertaking. Anxieties about job loss and wage erosion persist, and political leaders, especially in the United States, have done little directly so far to ease them other than to applaud the general strength of the economy.

Addressing Anxiety about Globalization

In the 1992 presidential campaign, Bill Clinton promised to provide support for education and retraining to help workers

adapt to the increasingly high-tech, global economy. Eight years later, the promise has been only partly met. At the president's urging, Congress enacted tax credits for workers who want to go school at least half-time. Congress also has continued to fund, at a relatively low level, adjustment for workers displaced by trade. But the public's anxiety about job loss—for reasons that extend well beyond trade—continues, despite record low unemployment.

Support for further trade liberalization, which is necessary at the very least to prevent a backsliding toward greater protection, is not likely to grow unless federal policymakers address worker anxiety head on. Several measures would help.

First, workers should be allowed to borrow from the federal government, up to some limit, to finance their training at any point in their working lives (without necessarily having to quit their jobs or work half-time, as the current tax credits effectively require).

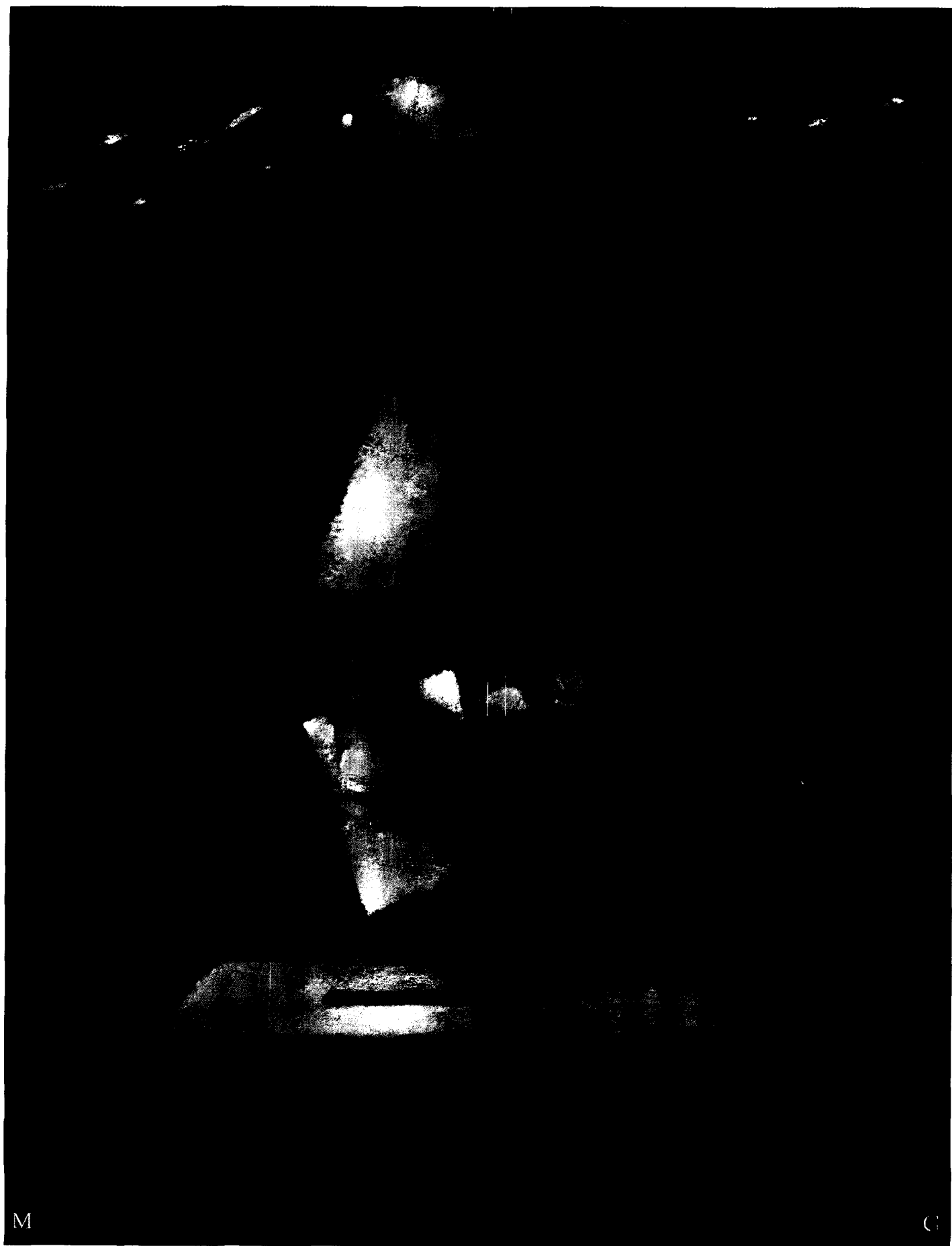
Second, workers should have access to "wage insurance," which would compensate them for some portion of their income losses after displacement and after finding a new job, up to some limit.

Third, subject to a means test, the federal government should help unemployed workers purchase health insurance. (Jobless workers now have the right to continue buying the insurance for 18 months but have a hard time paying for it.)

In the meantime, the United States should defuse the controversy over labor and environmental standards by strengthening the International Labor Organization, the body that deals with labor issues, and by creating new standing bodies to address cross-border environmental issues. Any rules these organizations make should take into account the particular stage of economic development of the countries involved, with sanctions best applied in the form of publicity (especially through the Internet) about the countries' adherence to these standards, so that consumers around the world can vote with their dollars whether to punish substandard nations. Furthermore, the WTO's dispute resolution process should be opened up so that the panels accept briefs from private parties, including nongovernmental organizations, much as the U.S. Supreme Court now does with amicus briefs. Any resulting increase in the WTO's less-than-\$200-million budget would be modest, and Washington should be willing to help foot the bill.

After first taking concrete steps to address the anxieties generated by globalization, policymakers can go back to the hard work of removing the remaining barriers (although in the meantime, negotiators should work on an agenda that could be presented at an appropriate time). Ideally, the effort should be multilateral, but perhaps the issues could be grouped so that certain agreements can be "harvested" early without waiting for the whole package to be approved. But none of this has a prayer of happening unless the next president is willing to spend some of his political capital on the overall effort. The rewards of pushing for free trade could be substantial. Doing nothing risks a backlash against globalization, which would punish consumers here and around the world. ■

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Promoting Democracy AND Human Rights

by Catharin Dalpino

Lessons of the 1990s

Since 1975 the number of nations under some form of democratic government has quadrupled. Today more than 2.3 billion people, 39 percent of the world's population, are living in countries rated "Free" by Freedom House, which monitors human rights worldwide. Another 1.5 billion people live in societies designated as "Partly Free," with limited democratic rule and human rights protection.

Beyond these broad statistics, some of which can be attributed to the end of the Cold War, the past 25 years have seen a striking number of first-ever political phenomena: the consolidation of democracy in Western Europe with the transitions in Greece, Portugal, and Spain; the demise of the Soviet Union; the end of apartheid in South Africa; and the emergence of the first Chinese democracy in Taiwan and the first Korean democracy in the South.

Progress has been made on human rights as well. At the 1993 United Nations Conference on Human Rights in Vienna, governments voted to reaffirm the universality of human rights (albeit with initial resistance from China

and several other non-Western countries). Transnational nongovernmental human rights networks have emerged, many from the 1975 Helsinki Accords, and some intergovernmental regional groups such as the Organization for Security and Cooperation in Europe have added human rights to their agendas. Moreover, democracy and human rights are becoming interchangeable in international parlance. This year the UN Human Rights Commission passed a resolution declaring democracy itself to be a fundamental human right.

America's foreign policy apparatus reflects the worldwide advances in democracy and human rights. During the 1990s, promoting democracy

became a core objective in U.S. foreign assistance. Before 1989, foreign aid for democratic development seldom topped \$100 million a year. By 1993, that figure had climbed to \$900 million. Change extended even to the bureaucracy. High-ranking positions to oversee democracy promotion now exist in the National Security Council, the Department of State, and the U.S. Agency for International Development; an unsuccessful effort was made to create one in the Department of Defense.

Slowdown

As the 1990s drew to a close, however, the heady progress had ebbed. The surges toward greater openness often

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met with political reversals and backsliding. Nations such as Pakistan, which occupied the "Partly Free" middle ground on the political spectrum, switched back and forth between democratic and authoritarian rule several times. Peruvian President Fujimori has resolutely held onto rule through undemocratic means for several years. In China, although personal freedoms have expanded, the Communist party continues to reject, and repress, any challenge to its political supremacy. Most significant for Americans, a decade after the collapse of the Soviet empire, Russia is only a half-democracy at best. Although the Russian system continues to pursue elections and other formal democratic processes, the ruling elite is not fully committed to protecting human rights, and the unseen hands of oligarchs in public policy undermine the development of transparent, accountable government. A new generation of reformers is coming to power in the Middle East, but few countries there have made a formal commitment to democracy. In Africa, the growth of democracy has been hindered not only by continued poverty but also by violent internal conflicts, such as that in East Africa, that decimate populations and invite gross human rights abuse. Other episodes of large-scale abuse have erupted elsewhere, the most dramatic being the campaign for "ethnic cleansing" in the former Yugoslavia.

Throughout the decade, non-Western governments charged that democracy and human rights are lopsided concepts, skewed toward a Western preference for political and civil rights and ignoring the basic economic rights of impoverished nations. This philosophical divide is also evident in attitudes toward humanitarian intervention. Some non-Western nations believe that the international community, under U.S. leadership, is more willing to intervene to halt gross violations of human rights than to address other catastrophes, such as famines. As the new century begins, broad suspicions persist that promoting democracy and human rights is merely the manifestation of Western evangelism and even of imperialism.

Issues for a New Administration

Though promoting democracy and protecting human rights are established objectives in U.S. foreign policy, the past decade has shown that they can seldom be the exclusive goal. Trade-offs with other policy concerns, particularly vital security interests or major trade relations, will continue to affect the ability of policymakers to encourage other governments to become more open or democratic. The Clinton administration's linking, and subsequent delinking, of human rights and trade with China in 1993–94 is a prime example of this dilemma. So is U.S. restraint in its approach to Chechnya. Moreover, much of the easy success of democratization in the early years after the Cold War is past. A new president must confront the harder cases, which thus far have proved resistant to a global democratic contagion.

Promoting democracy and protecting human rights in the next decade will require a lower profile and a more pragmatic, though no less vigorous, approach. U.S. foreign aid for democracy, which has fallen off sharply since the early 1990s, should be reinvigorated. The trend toward greater use of sanctions and other tools of conditionality should be curtailed. Too often sanctions prove ineffective in influencing the delicate internal process of political change.

Three major challenges face a new administration: expanding the definition of human rights to bring non-Western nations into the tent, reconciling accountability for human rights abuses with national stability and sovereignty, and encouraging greater openness in nondemocratic societies.

Broadening the Spectrum of Human Rights

The overwhelming majority of the world's governments has signed the Universal Declaration of Human Rights promulgated by the United Nations in 1949, but the interpretation of the term "universal" varies widely between Western and non-Western nations. In truth, the scope of the Declaration is so broad that no nation is likely to give equal emphasis to every area of rights. But there is also some truth to the allegations

of the leaders of some developing countries that the West focuses primarily on political and civil rights. The United States, for example, has ratified the International Covenant on Political and Civil Rights but not the mirror Covenant on Economic, Social, and Cultural Rights, though it signed both in 1977. To make its human rights policies more effective, Washington must make conscious efforts to bridge this gap.

Congress's longstanding resistance to ratifying the Economic Rights Covenant is unlikely to be reversed by a new administration of either party, even if it favored such a shift itself. Ratifying an international treaty carries the full effect of law in the United States, and no administration will agree to guarantee its citizens the economic benefits enumerated in the Economic Covenant (such as the right to housing or to a minimum income) without subjecting these issues to the domestic political process. Indeed, many of the issues that define the American domestic policy agenda, including welfare and Social Security reform, are economic rights issues.

But a new administration can take two steps to signal concern for a wider spectrum of rights in U.S. foreign policy. First, the United States should help develop regional networks for human rights. Not surprisingly, the regions weakest in human rights protection—the Middle East, Asia, and Africa—also lack regional frameworks for discussing rights (although the Organization of African Unity is considering adding human rights to its agenda). U.S. support for creating regional regimes will help dispel the perception that human rights are a Western export. Washington, however, must let regional actors take the lead. Any network on human rights in the Middle East is likely to be led by nongovernmental organizations, which have spearheaded human rights advocacy in their countries. And any Asian human rights body (likely to emerge first in Southeast rather than Northeast Asia) may well emphasize economic over political rights in the early years. The task for the United States is to help build regional platforms for discussing rights, not to urge specific agendas on them.

Second, in its dealings with individual countries, the United States should anchor human rights in a broader spectrum of global issues. For example, over the past decade Washington has tried with scant success to foster a dialogue on human rights with Beijing because the U.S. agenda is dominated by political dissidents and other concerns tagged by the Chinese as particularly “American.” A new administration need not abandon these issues, but it should present them in a broader context, adding topics that also affect citizen-state relations in China, including environmental protection, the control of viruses, care of the aging, and women’s rights.

Balancing Accountability with State Sovereignty

Episodes of gross human rights abuse during the 1990s spurred wider recognition both of the need to bring abusers to justice and of international responsibility to promote (or even provide) accountability. Such accountability can halt widespread crimes, as well as prevent future campaigns of abuse. The War Crimes Tribunals for the former Yugoslavia and Rwanda, both sanctioned by the UN Security Council, were the hallmarks of the new attention to international justice. Both followed the architecture of the Nuremberg Trials for Germany after World War II. Top officials under indictment were tried by international jurists, who could be assumed to be more objective, while mid- and lower-level abusers were usually handled by the country’s own judicial system.

In future accountability exercises, however, the world community will not be so prominent. The Nuremberg principles apply best to countries vanquished by war (with the victors serving as jurists) or to “failed states” under international receivership. More commonly, state sovereignty plays a larger role. In preparing for trials for the Khmer Rouge in Cambodia and for elements of Indonesia’s military who committed human rights abuses in East Timor, the Cambodian and Indonesian governments are demanding a reversal of the Nuremberg principles. Although

neither government has ruled out international participation in the trials, each is adamant that its national justice system must lead, particularly in handling high-ranking officials accused of abuse. Their arguments that accountability must be pursued in tandem with social and political stability are not without merit. A new U.S. president must aim not only for the most effective and fair trials, but also for measures to help institutionalize accountability in a country’s formal system and its more informal political culture. Internationally dominated exercises may be more immediately “fair,” but they may, ironically, hinder a nation’s ability to address (and prevent) future human rights abuses.

Greater Openness in Nondemocratic Societies

The statistic usually missing in litanies of the successes of the late 20th-century wave of democracy is that 2.1 billion people, 36 percent of the world’s population, still live under governments that remain authoritarian or even totalitarian. Encouraging these nations to move toward greater political openness and stronger protection of human rights is the single most difficult, and most important, task that a new president will face in this area.

A new administration should not automatically assume that any of these states is a candidate for an immediate transition to democracy. Regimes in these nations have proved resistant to theories of democratic dominoes. Many, such as China, are post-revolutionary societies, with second-generation ruling groups that now wield collective rather than one-man rule. These regimes are trying to hold on to power by stimulating economic development and raising the living standards of the general population. Traditional monarchies, particularly in the Gulf States of the Middle East, have a similar strategy.

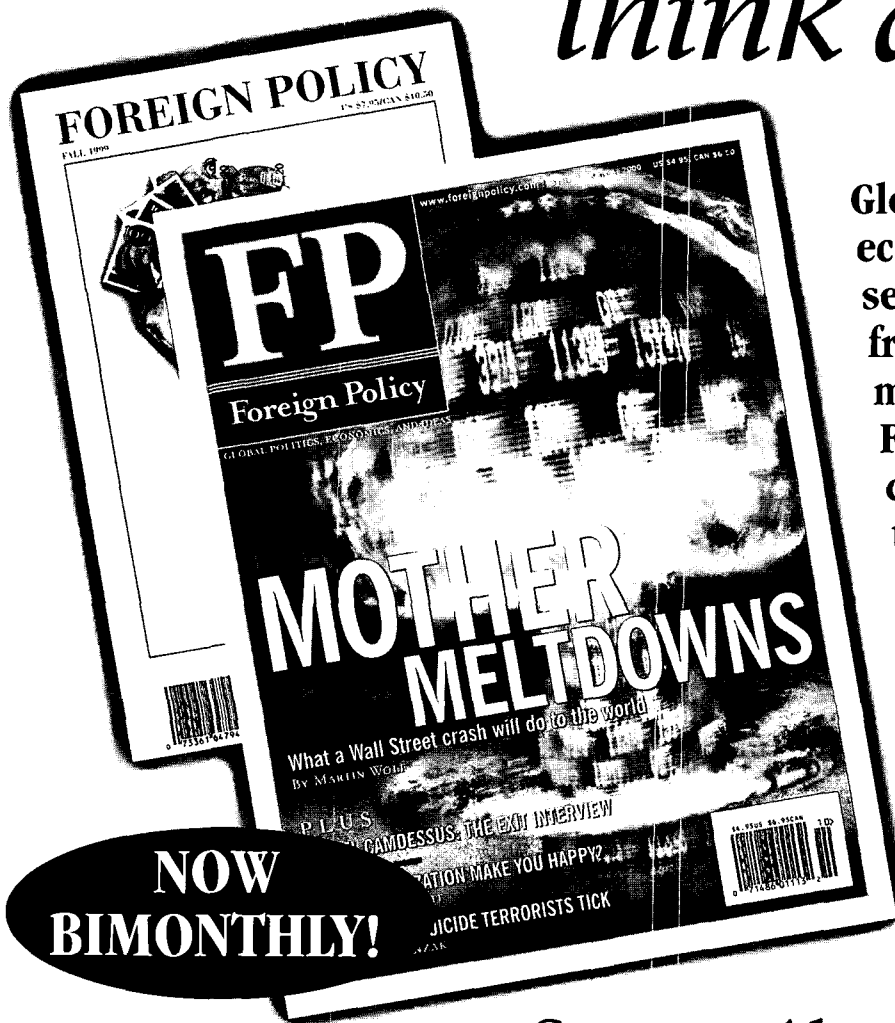
An emphasis on economic progress also offers the United States new opportunities to promote freedoms. Economic growth and market reform often produce a growing and more assertive private sector, through which the United

States can promote an evolutionary path toward greater openness. This instrumental approach may not bring democracy quickly, but it is likely to be more effective than an ideological insistence on democracy and may, in the end, prove a quicker path to a more democratic government and society. An effective U.S. policy would be to encourage more breathing space between the executive and other branches, as well as between state and society. Policies should not be premised on the assumption that it is possible to overturn the existing political dynamic and to create assertive new democratic structures overnight.

Terms such as “engagement,” “containment,” “carrots,” and “sticks” have been used so often in U.S. policy discourse in the past decade, particularly in the China trade debate, as to become almost meaningless. But a new administration is likely to find that quiet support for incremental gains will shape the domestic political behavior of nondemocratic governments far more effectively than sanctions will. Sanctions, even targeted or “smart” ones, cannot easily penetrate or influence relations within the regime, where political pluralism often begins and where decisions about further openness are made.

At first a new president may find few ways to support constructive political change in nondemocratic countries. Past (or current) antagonisms and legislative restrictions on official aid will force him to call on American nongovernmental organizations in implementing policy. Several such groups have long worked to assist these countries and have developed extensive networks of contacts enabling them to detect and reinforce positive political trends. Many groups, however, lack the funds to expand their programs with these countries. The new administration should work with Congress to make more public funds available. Although dramatic democratic change in these nondemocratic countries may be years away, immediate opportunities exist in many to support gradual movement toward openness. Here, at least, Mao was right: even the longest journey begins with a single step. ■

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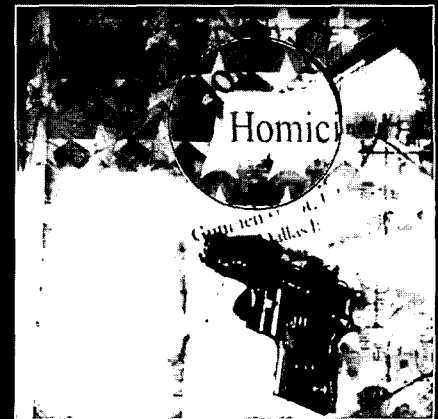
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